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4 April 1980

WEST EUROPE REPORT

No. 1560

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THEATER NUCLEAR FORCES

FRANCE

OPERATIONAL STATUS OF FRENCH NUCLEAR FORCE IN 1980-1981

Paris LE MONDE in French 10-11 Feb 80 p 8

[Article: "The Arsenal in 1980"]

[Text] The French nuclear deterrent force will include the following operational components in 1980:

1. A nuclear bomber fleet of 37 Mirage 4 aircraft each armed with a single 70-kiloton bomb, i.e. nearly four times the power of the Hiroshima bomb. These bombers can be air-refueled by 11 KC-135 tankers for 4,000 kilometer missions.
2. On the Albion Plateau in Haute Provence, a firing section of nine S-3 surface-to-surface ballistic missiles with a range of more than 3,000 kilometers and armed with a 1-megaton thermonuclear warhead, i.e. 50 times greater power than the Hiroshima bomb. A second identical section is now being converted to accommodate the same S-3 missile--a total of nine--in 1981.
3. Four nuclear-powered missile-launching submarines capable of launching a total of 64 M-20 missiles having a range of more than 3,000 kilometers and each armed with a 1-megaton warhead. A fifth nuclear submarine, L'Indomptable, will be in drydock.
4. Five artillery regiments equipped with the Pluton tactical nuclear missile. The Pluton has a maximum range of 120 kilometers and carries a 15-25 KT warhead, i.e. equivalent to the yield of the Hiroshima bomb.
5. Three Jaguar squadrons and two Mirage 3E squadrons--a total of 75 aircraft--capable of launching a nuclear weapon similar to the Pluton after a flight of 1,200 kilometers, part of it at low altitude.

In 1981, in addition to the entry into service of the second section of S-3 missiles in Haute Provence, French aircraft carriers will receive Super Etendard aircraft armed with Pluton-type nuclear warheads.

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CSO: 3100

THEATER NUCLEAR FORCES

FRANCE

FRENCH POLICY. ROLE, CONCERNS IN EUROPEAN NUCLEAR DEFENSE

Paris LE MONDE in French 9, 10-11 Feb 80

[Article by Jacques Cressard: "For What Policy?"]

[9 Feb 80 p 11]

[Text] In an article published in yesterday's LE MONDE [See FBIS Western Europe DAILY REPORT of 13 Feb 80, p K 1], Arthur Paecht, UDF [Union of Democrats for the Republic] deputy from Var and secretary of the National Assembly's defense committee, stressed the necessity of considering new financial sacrifices for modernization of the armed forces. In the following serialized article, Jacques Cressard, RPR [Rally for the Republic] deputy from Ille-et-Vilaine and defense budget rapporteur for the National Assembly's finance committee, outlines the technical and political choices that should, in his view, guide this modernization effort.

Neutron Bomb is Indispensable

The world is changing. Detente is giving place--for how long?--to a period of uncertainty which prompts us, once again, to reflect upon the conditions of our independence, in other words, primarily upon our defense policy and the defense policies of our European partners.

What must France's defense policy be? On what bases must Europe's defense be established?

Challenges

Our country is permanently threatened. There is nothing either new or shocking about such an observation. Every nation has to cope with threats and exists only in relation to the challenges it must overcome. The problem is not so much the threat per se as the clarity of the assessment made of that threat, an assessment which dictates the most suitable policy for meeting the threat.

The risks plaguing France today are primarily of its own making. Changes in its population growth, the way it manages its economy, and the relations between its social groups may all constitute threats to its unity or its survival.

A country without manpower attracts the covetous eyes of other nations. The declining birth rate in Western countries is liable to create a future problem in recruiting personnel for the armed forces. Economic policy may lead to greater dependence on other countries and by this very fact to greater vulnerability. Conversely, military policy may contribute, by its inordinate demands, as in the case of Soviet policy, to curbing economic development.

These considerations remind us that there can be no military policy divorced from its context, and that there can be no sound defense if it is designed by any civilian or military technocracy whatsoever.

Heavy Dependence

In keeping with a global assessment, our defense policy must take into account a situation characterized by our heavy dependence on foreign sources of energy and raw materials, the expansion of our foreign trade, and the large number of Frenchmen living abroad.

Some 1.3 million Frenchmen live outside France. Our foreign trade amounted to 470 billion francs in 1978, more than 22 percent of our gross domestic product. All of our economic activity depends, in varying degrees on the extent and freedom of our relations with Europe and the world outside Europe.

Recent events like those in Zaire remind us that it may be necessary for us to intervene militarily at any time and at very great distances from France. Our foreign trade may be threatened at any time by either an intentionally aggressive embargo or by air and ground forces barring our access to vital sources of supply, or by secondary naval forces that may assume, on the high seas tomorrow, the same role currently played by Cuban forces in Angola and Ethiopia.

In addition, the growing power of a Soviet Navy--inexistent 25 years ago and currently ranking as the world's second largest in tonnage--constitutes a new factor that no one can ignore.

But we now face a more direct threat. Europe can be attacked by hundreds of SS-4 and SS-5 missiles aimed at each one of its population centers, and henceforth by SS-20 missiles that have the capability of destroying a large part of Europe's military forces in one fell swoop.

The opposing air and ground forces total some 114 divisions equipped with 27,000 tanks and supported by 2,500 tactical aircraft, capable of employing nuclear and chemical weapons. They have a uniform organization, standardized equipment, an abundance of reserves, and their logistical support is entirely

continental. Inasmuch as these forces are not deployed right along our borders, the threat to us may appear remote. Moreover, it is true that, even in the event of a serious crisis, Warsaw Pact forces having advanced close to our country would probably be reluctant to enter into territory "sanctuarized" by our strategic nuclear forces.

Special Ties

But what political and economic capabilities would our country have if it were bordered by neighbors with whom the special ties conditioning its existence had disappeared? Furthermore, imagine what strong discipline and soul a country in fear of invasion would have to possess to threaten the potential invader with a nuclear strike that would draw retaliatory nuclear fire upon its own territory.

There is probably no doubt about our country's determination in such an extremity. Nevertheless, is it not fearfully possible that the national will may be lacking and that Frenchmen, failing to understand correctly the rules of the game of deterrence, may infer that the loss of freedom is simply the price of survival?

In addition, we must consider the possibility that a country having decided to attack us would have first tried to weaken our will by spreading false reports and conducting commando operations on a small scale but sufficient in number to panic and demoralize our population by sabotaging our vital installations.

Four Directions

The threats hanging over our country show us the directions we must take.

1. To cope with peripheral threats, we must have a navy with world-wide capabilities. We will doubtlessly experience many difficulties obtaining a 300,000-ton navy by the end of the century. Nevertheless, high priority should be given to enhancing both the tonnage and weaponry of our ocean-going fleet.

In addition, we must have intervention forces whose employment is no longer questioned since the Kolwezi tragedy, provided, however, our air transport capability is commensurate with these forces. The latter does not appear to be the case at the present time.

2. To cope with actions taken against our territory that are at a relatively low level of aggression but sufficiently injurious to weaken our national resolve, it is essential that the government at all times have the means enabling it to speak to the population and to react everywhere against enemy actions.

Within Our Means

In addition to reliable communications at all levels, plus suitable air defense and coastal defense forces, the country must have a sufficiently large number of territorial forces performing civil and military defense tasks indiscriminately, forces supported by compulsory national service and reserves. Foreign examples induce us to maintain and expand such forces.

3. Against the air and ground threat, that is to say the threat which forces having overrun the NATO defenses would represent, only one response is credible, namely that of a tactical nuclear strike producing the least possible collateral effects but striking the enemy right away with a savage counterblow likely to avoid recourse to strategic nuclear weapons, unless the enemy itself threatens us with such weapons. This means that the enhanced-radiation bomb is indispensable.

Possessing a sufficient number of neutron bombs, having an effective battlefield surveillance capability and, above all, fully operational air forces, such are actually the essential requirements that are within our means. Everything else is so much fiction.

4. Lastly, to cope with the major threat posed by the strategic nuclear forces of a potential enemy, it is essential to have a powerful and invulnerable nuclear strike capability. If we persevere in our effort, in about 10 years we should have some 500 nuclear warheads capable of penetrating enemy defenses under any circumstances. These will be carried by submarines that will remain undetectable and be supported by a virtually invulnerable communications system. It may be rightfully said that France has and will have the capability of deterring an enemy regardless of who that enemy may be. We should, however, carefully weigh our limitations.

Our Mirage 4 bombers will be withdrawn from service in 1985. The vulnerability of the missiles installed on the Albion Plateau increases with time. Our civil defense effort, a condition of our national determination, is non-existent. This deficiency puts us in a position of dangerous inferiority in comparison with the great powers.

The reinforcement of the potential enemy's active and passive defenses, the distant dispersal of targets by relocating urban and industrial sites, and the accuracy of enemy missiles, all compel us to continue our research effort on techniques as well as on weapons employment concepts. These factors also oblige us to arm ourselves as quickly as possible with new air-to-surface or surface-to-surface components supplementing our fleet of SNLE's (missile-launching nuclear submarines). They also oblige us to implement a civil defense policy that demands political will more than expenditure of large financial resources.

[10-11 Feb 80, p8]

European Impasse

[Text] Even though our country has a strong defense posture, it still cannot be indifferent to what its partners are doing for their security. This raises the issue of the defense of a continent for which both the means and will are lacking.

Europe is threatened in its sources of supply. Yet, with the exception of France, Europe has no air-ground military intervention force. The West German, Italian, and Dutch navies are each below the 100,000-ton level. The fleets of the European Community countries barely have a combined tonnage of about 1 million tons compared with the 2 million tons of the Soviet Union and the United States.

Europe is faced with the threat of aggression coming from the East. Yet NATO forces stationed in the FRG have less than 5,000 tanks, excluding those in the U.S. Forces, and have no tactical nuclear weapons of European origin.

Europe is faced with the threat of a strategic nuclear strike. Only France and Great Britain are capable of responding to this threat, thus leaving 50 percent of the European territory and 40 percent of its resources unprotected.

Lack of Will

Now although Germany is a special case resulting from historical events that are still too close to us and from formal FRG commitments signed in 1954, the absence of the other European countries from the nuclear field is somewhat surprising.

Does this mean that Italy, the Benelux, and the Scandinavian countries--richer and certainly more scientifically and technologically advanced than India, Pakistan, and South Africa, and even many other countries considering producing their own nuclear weapons--are incapable of individually attaining a nuclear capability?

These weak resources are due to a lack of will. Need we recall that European countries, favorable to a defense conducted strictly within the framework of the Atlantic Alliance, rejected the Fouchet Plan which called for a union of European nations designed to strengthen the security of its member states against any aggression, through adoption of a "common defense policy?"

Need we recall that the Franco-German treaty provides for regular meetings of defense ministers and chiefs of state for the purpose of establishing joint positions on strategic and tactical plans, that it calls for the exchange of complete military units, joint preparation of armament projects, and

collaboration in civil defense matters, but that these provisions have had their meaning unilaterally voided by a preamble proclaiming the necessity of close association between Europe and the United States?

Must we recall this recent statement by NATO secretary general Joseph Luns to the effect that "Europeans need only have enough forces to enable the United States to send over the reinforcements we would need, because solely the intervention of American power can make it possible to restore the balance between Europe and the Soviet Union?"

Two Disadvantages

Admittedly entrusting the American partner with the responsibility for Europe's defense does offer indisputable advantages. It is the least expensive solution for Europeans. It solves the problem of unity of command. It does not call for any real quid pro quo: either political, because Europeans are scrupulously allowed to retain their freedoms, or economic, because Germany which benefits most from American protection has scarcely suffered from the dollar's irregular performance.

Lastly, and this is not the least important advantage, American protection has given Europe security for more than 30 years and is expected to continue to do so, if we can believe Cyrus Vance's statements on the subject.

Above and beyond these advantages, however, we definitely have to reckon with two disadvantages.

The first is moral in nature, but does not thereby have to be rejected. How can our continent maintain its dignity when, for their defense, some 260 million Europeans have to call upon some 216 million Americans whose wealth is now not much greater than theirs?

In this connection, the proposals of U.S. Secretary of Defense Harold Brown relative to protection of sea lines of communication, are significant: global responsibility for such protection should be assumed by the United States, local responsibilities by Europeans. Actually why should anything about this proposal be considered shocking, except the fact that Europe refuses to defend itself?

The second disadvantage stems from the uncertainty of the American commitment. On the operational level, the validity of that commitment depends on control of the Atlantic Ocean--now challenged by the power of the Soviet submarine fleet--and on the inevitably-limited size of the American forces.

Be that as it may, doesn't the flexible response doctrine to which Vance alluded lead to a long and drawn-out battle transforming our continent into one vast battlefield?

Hostages

On the strategic level, General De Gaulle's views, considered shocking some 15 years ago, are now being reiterated by American officials. Was it not Henry Kissinger who, speaking in Brussels, said "that our European allies should not keep asking us to multiply strategic assurances we cannot possibly mean or should not execute?"

In this respect, the deployment of Pershing 2 missiles does not change much of Europe's vulnerability because their use, like the use of all nuclear weapons, is subject to approval by the President of the United States.

Are we in an impasse?

The expanding cooperation between France, Great Britain, and the Federal Republic of Germany, may ultimately provide Europe the conventional weapons it needs if the countries concerned make the financial effort to equip themselves with a sufficient number of such weapons.

The fact remains, however, that the defense of our continent is linked to the possession of nuclear weapons. But such possession poses two formidable problems.

In the absence of a European nation per se, the arming of Europe with nuclear weapons means arming the countries that make up Europe. Some persons will argue that this also means fostering proliferation of such weapons. Yet, contrariwise, do the countries of old Europe have to be the last ones to have nuclear protection after Pakistan, South Africa, or Brazil?

Can we consider Germany--bound by its 1954 commitments which nobody intends to call in question--as being the sole hostage to the enemy's nuclear threat? To do so, would mean overlooking the fact that the countries of Europe that are members of the Warsaw Pact would themselves also be hostages to possible retaliation by European countries.

As has always been the case, defense is a matter of will. Our country is displaying such will as evidenced by a military programming law that is being generally implemented despite economic and social vicissitudes, and also by a properly balanced and generally satisfactory 1980 defense budget.

We must not relax our effort, however. We must not abandon essential policy directions, particularly those in favor of our nuclear forces. The defense of France depends on it, and perhaps so does the future defense of Europe.

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IMF INTERIM CHAIRMAN ON MONETARY ISSUES, ITALIAN SCENE

Madrid EL PAIS in Spanish 26 Feb 80 p 57

[Interview with Filippo Maria Pandolfi, Italian minister of treasury, by Alberto Valverde of EL PAIS; Madrid, February 1980]

[Text] Filippo Maria Pandolfi, 51 years old, Italian minister of treasury, initiated last weekend in Madrid, in his capacity as chairman of the interim committee of the IMF [International Monetary Fund], the process of necessary consultations among member-states of the world organization to overcome reservations regarding the forthcoming establishment of the so-called substitution account. This new instrument of the IMF tries to stabilize the international monetary system reducing dependence on the dollar as international reserve asset and defusing the strong pressures that cause the abrupt rises and falls in the value of the United States currency. In the Spanish capital, before leaving for the United States, Mexico, Venezuela, Brazil, and Argentina, Pandolfi had talks with Jose Luis Leal, Spanish minister of economy, and Leopoldo Calvo-Sotelo, Spanish minister for European Community Affairs. In an interview with EL PAIS Pandolfi spoke of international monetary and economic matters and of the Italian situation.

Question: At the annual IMF assembly in Belgrade in October 1979 the interim committee decided to study intensely this year the possibility of establishing a substitution account. At what stage are the negotiations which you are conducting at this time?

Answer: The idea of a substitution account is not recent. People started talking of a possible substitution account in 1974 when a complete reform of the international monetary system, established in Bretton Woods at the close of World War II, was considered. When the Committee of 20 initiated the reform and the fixed exchange rates were replaced by flexible rates,

The major innovation compared to the earlier system, the idea was already included in plans for the future. In Belgrade it was decided to accelerate the study, something that has already been done at the staff level of the IMF in the past few months. The basic idea of the substitution account is to provide stability to the international monetary system which today is disturbed by the process of diversification of the reserves. In other words, those who hold dollars tend to sell these and buy other strong currencies and, at times of great tension, even to buy gold. All of this accounts for international transactions major changes occur in the international price system. This is especially grave as regards the changes produced in the price of oil. The dollar has been slipping [over time] and the price of oil is up, with grave consequences for the Western economy.

Question: One of the effects which the substitution account may have in addition to stabilizing the monetary system and international prices will possibly be the retirement of funds available in the capital market. Up to what point will the account be an instrument slated to reduce inflationary pressures of the international economy stemming from this existing surplus liquidity?

Answer: I don't believe that the most noteworthy effect of the account will be to drain international liquidity. Its principal effect will be to provide, besides the dollar, a new instrument enjoying stability, linked not only to one currency but rather to several currencies, which will have a stabilizing effect on the monetary prices of goods but not that much on the level of international liquidity. This effect is undoubtedly also a consequence but quantitatively it is small since, because the aggregate dollars held by non-Americans has reached enormous proportions, it is not thought that its reduction would be sufficiently important to warrant the belief that these new shares (which, expressed as SDRs--Special Drawing Rights--will be issued by the IMF in exchange for surplus dollars) will replace the dollar as an international reserve asset or considerably reduce either the significance of the latter or its aggregate amount.

Question: You said that the IMF technicians have already completed the basic study of the account. Has a ceiling or a floor been set for this account?

Answer: No. Theoretically there will be no ceiling. If it is thought that the account, to be really effective, will need a minimum of deposits to begin to operate and this minimum will depend on the course of events. In any case we shall proceed with much realism.

"Gold Can Make the Substitution Account Profitable"

Question: Nevertheless, the treasurer of the IMF has spoken of 20 billion dollars....

Answer: Yes, indeed, this amount is the minimum necessary to get the account started. Obviously, the amount could be 12 billion or 25 billion dollars. This will depend on the development of the account.

Question: Many countries, especially the developing countries or the major importers of crude oil as in the case of Spain, have expressed reservations or reticence regarding the operational startup of this account. They argue that it will reduce their possibilities of raising loans and financing on the international markets. They also note that they do not view sympathetically the role of security which some try to give to gold [in the account]. Another aspect is the profitability of the account....

Answer: Well then, in this tour which I am making, I plan to determine precisely and analyze the reasons and arguments underlying these reservations. Personally, I consider that it will always be possible to overcome the reservations which developing countries have, especially as regards their subsequent access to European capital markets. The question of gold and profitability are two different though interrelated or parallel problems. The former relates to the need to intensify and render more effective assistance to those developing countries which do not produce oil. The International Monetary Fund and the World Bank already have their instruments. What is involved now is to make them more active and adapt them to the more difficult conditions that may be determined to exist. For example, the sales of gold [by the IMF] have been slated in recent years to support these assistance formulas to developing countries. The other problem relates to the account and to a determination whether it is possible to use, in appropriate form and by definition, gold as a security of the value of this financial instrument of dollar deposits. This is one of the points that is being studied, and we hope that a solution enjoying the necessary consensus will be reached.

Question: Within the international economic situation how should one view the recent jump, to a historic level, of the prime rate in the United States and the possible threat hovering over the Euromarket because of the effective rise in the price of money?

Answer: The problem of interest rates is characteristic of the evolution of the economic situation in the various countries which make up the international economy. At these times it is a matter of containing the excessively high levels of inflation noted--and which is one of the great evils bedeviling the world economy--and one of the monetary methods is to raise interest rates. One should remember that the interdependence of the markets produces ripple effects in the internal adjustment process of countries.

Question: But will it not happen again, as it did last year, that the anticipated recession which it is claimed inflation will trigger will not occur this year either....

Answer: My impression is that the business cycle is getting longer [over time]. But in past years we witnessed, contrariwise, a shortening of this cycle. Now, once again, the cycle tends to become longer and projections about the worldwide recession still have to materialize. However, the risk of a fall in production at the international level is serious.

"Without Structural Agreements the Government will have to resort to Monetary Measures"

Question: In Italy, following an inflation rate which reached 19.3 percent last year, prices have again exploded with a hike of 5.3 percent in January 1980. Does the Italian Government plan to adopt additional anti-inflationary measures?

Answer: There are two ways to control inflation in Italy. The principal, even though the more difficult to apply, is to change some structural conditions of the Italian economy--for example, check the public deficit, reduce some allowances which transmit very rapidly to the interior of the Italian economy the high external prices, moderate wage hikes, provide greater flexibility to enterprises so that they may contain costs, and so on. This, I repeat, is the principal way to check inflation in Italy. Should it not be possible to administer these structural measures that I have detailed for you, it is clear that the monetary authorities have sufficient immediate means available to avoid the explosion evidenced in the inflation rate. We hope, however, to move ahead with our structural options because monetary and credit rigidity brakes development. It is clear, I repeat, that the Italian Government is getting ready to choose monetary policy if a consensus is not reached about structural measures.

Question: The difficult position of FIAT (Italian Automobile Manufacturing Company, Turin) continues in Spain in a special way for obvious reasons. Does FIAT as a private company have an alternative or will it have to be protected by the welfare-state?

Answer: The public sector is already very large in Italy and I believe that it would be an error to expand it even further. The problem of FIAT is typical of major enterprises in Italy. It is necessary to increase the productivity of the large enterprises which face conditions that are less flexible than small- and medium-sized firms. If we succeed in convincing the trade unions, too, that labor must also be more flexible, then I believe that major enterprises such as FIAT will be able to overcome their present difficulties.

Question: The European automobile sector is experiencing a genuine revolution with the possible threat that Japanese firms will enter that market. The case of Nissan is repeated in Spain and Italy even though the Italian Government has not given its approval to the Nissan-Alfa Romeo talks....

Answer: This is a very lively issue in Italy but I am not in a position to second-guess any response which the Italian Government will make on this score.

INTERNATIONAL AFFAIRS

BRIEFS

MITTERRAND-BERLINGUER GET-TOGETHER--As the guest of the socialist group in the European Parliament, Francois Mitterrand will go to Strasbourg in mid-April. The invitation to him is, in fact, an excuse to enable the PSF first secretary to meet with PCI leader Enrico Berlinguer without making the Italian socialists too unhappy. [Text] [Paris LE POINT in French 17 Mar 80 p 55]

AUSTRIAN-FINNISH TRADE IN 1979--In 1979, Austrian exports to Finland went up 30 percent to 1.75 billion schillings, and imports went up 20.9 percent to 1.2 billion schillings. Austrian exports consisted mainly of textiles, iron and steel and other metal goods and machinery. Vienna is increasingly used by Finnish enterprises as an outlet for trade with East European countries. Thus 15 Finnish companies have set up branches in Vienna that are also in charge of East European markets. Another 200 Finnish companies are represented in Austria by Austrian firms. [AU181402 Vienna DIE PRESSE in German 15/16 Mar 80 p 9 AU]

CSO: 3103

TINDEMANS STRESSES BRUSSELS' SPECIAL ROLE

Brussels LE SOIR in French 19 Feb 80 p 2

[Text] The CVP [Social Christian Party] continues to hold fast to the resolution of its 16 December congress concerning the definitive state reform. "We cannot allow the interim phase to mortgage the final phase. We are convinced that our deputies and senators fully share this conviction." This is what CVP Chairman Leo Tindemans declared on Saturday in Saint Nicolas where a workshop was being held for the party's communal and provincial representatives. The statement referred to communal law reform and relations between communes and their Public Centers for Social Aid. The assembly greeted this statement with lengthy applauses.

Tindemans added: "We are all in favor of parliamentary democracy, but we are watching its slow demise, obviously, without emotion. Economic decisions have already been taken outside Parliament. Officials are now attempting to take financial decisions without parliamentary interferences. This is why the CVP believes that Parliament must have the last word concerning state reform."

Brussels, the Capital

The chairman took this opportunity to recall his party's position about Brussels. He asked how communes could be discussed without discussing also Brussels' problems. It is one of our country's tragedies to note that many of the capital's politicians do not understand the function of a capital. This function can be particularly advantageous. A capital is the seat of the government and Parliament; it is the link between citizens and communities.

In all countries, the capital is something special. The late president Pompidou went as far as saying that Paris had obligations that other towns did not have simply because Paris was the capital of France.

A capital which stands against the rest of the country, does not understand its duty and it becomes the stake of an unfortunate dispute. I will even go further: it is the country's very existence which is the stake of Brussels' status. How can we love a country if its capital is not also ours? Consequently, we must demand that measures be taken before the 1982 communal

elections to guarantee the protection of Brussels' Flemings. (These legal guarantees were specified in the motion previously approved by the assembly. For the social-Christian Flemish representatives, it involved guarantees pertaining to representation and financial means, particularly on a communal level. And this, for the simple reason that communes are much more powerful than urban centers.)

To Save Brussels

Tindemans also indicated that Brussels' population was much less allergic to a co-management solution than some politicians were trying to imply. Recent polls showed that barely 10 percent of Brussels' French-speaking residents wished to turn the capital into a Walloon capital. Barely 14 percent wanted to achieve "a full-share region" status. Forty-four percent did not mention the possibility of this occurring.

The town is getting poorer. In 1970, it supplied 17 percent of the gross national product; now, only 14.5 percent. Without its position as capital, this share would drop to 10 percent.

Brussels is also dying on a demographic level. Ten years ago, there still were 900,000 Belgians living in it; there are now 760,000; within the next 5 years, it is anticipated that another 100,000 will leave the city.

With regard to the latter, the chairman concluded: "The CVP is not Brussels' enemy. On the contrary, Brussels' residents of good will will find in us an ally in our common search for solutions enabling us to save the capital."

Let us note further that the chairman of the Association of CVP Representatives, Bert Croux--the senator from Tongres--, had also emphasized that, in his opinion, Brussels was not a local problem concerning only the residents of the 19 communes. At stake were issues affecting all of the country's citizens since Brussels was also their capital.

Finally, let us note that the representatives from communes with special linguistic opportunities and administration urged the representatives of all the regions to join them in upholding fully the Flemish characteristics of their communes.

6857
CSO: 3100

IMPLICATIONS IN SHARP RISE IN UNEMPLOYMENT ANALYZED

Brussels LE SOIR in French 20 Feb 80 p 2

[Text] Between now and 1985, on the basis of a probable active population growth of approximately 200,000 individuals, 320,000 new jobs--or 45,000 per year--will have to be created in Belgium to make unemployment go down to an acceptable level, namely, 3 percent of the active population.

Economic conditions alone cannot achieve this result. Between 1962 and 1972, the "golden sixties," employment progressed by only 29,000 jobs annually when the growth rate of the gross national product exceeded 5 percent annually. Today there are barely 7,000 new jobs created in Belgium annually.

Consequently, we can understand that it is not farfetched to estimate at 700,000 the number of possible unemployed in 1985. That is to say, should no change occur. Bernard de Closset, economic and monetary adviser of the PSC [Christian-Social Party] chairman reached these conclusions in a booklet entitled "The State, the Market and You," published by the CEPIC [Political Center of Christian Independents and Cadres] Notebooks (39 rue Belliard, 1040 Brussels).

The writer drew political conclusions from these observations. He noted that, if we were to persist in the present path and if private enterprise did not become once again the spearhead of the fight against the crisis and unemployment, we, ourselves, would have opened the way to bureaucracy and state socialism. It would then be too late to speak about freedom, buying power and growth. We would have to try to project a future through state priorities, collective choices and collectivist productions.

De Closset noted further that the alternative was clear if the worse were to be avoided: we either took the market as an enemy or an ally. The present tragedy was that this choice had not been made. Yet, it is basic. Two ideologies clash on this subject. The first asserts that private economy and free enterprise are the cornerstone of a stable and inflationary economy based on monopoly and exploitation. The second seeks balance in the effective combination of the labor and capital factors and makes profit the very source of the redistribution of revenues aimed at eliminating inequalities.

The choice has not been made. We demand a reduction of charges, taxes and administrative chicanery, but at the same time, we demand that the state make good the deficits, wipe out losses, subsidize business, assume risks and ensure revenues. Agreement on principles, but disagreement when self-interests are at stake. This also goes for holdings and big business which are much pleased with the unique socialization of losses.

Ambiguity and the obsessional search for compromise for its own sake--a compromise which could not serve as a coherent economic policy--are the most striking factors of recovery plans, appropriation bills and other anti-crisis laws. Yet, jobs are unquestionably created by business. Consequently, we either restore valid conditions pertaining to competition, profit-earning potential, investment yields and production costs, or we continue to follow a path in which there no longer is sufficient link between production factors and their contribution to prosperity.

For the time being, taking into account fiscal, parafiscal and other pressures, private business has no interest in creating jobs. If, through the market, business is not given back the incentive to create new jobs, we will go straight to social failure and economic state-control.

The author noted further: although the international climate did not favor very much our chances, it was not the only reason why it could make us suffer more than others. Between a neo-liberal Flanders attracting Belgian and foreign investors through tax breaks and a blushing Wallonia where a state-controlling concentration would pretend to administer and govern all things, including the economy, the divorce would be total.

But, although in Flanders the cards are on the table, it is not so in the French-speaking regions. Some people declare peremptorily that Wallonia demands labor. It is not so. It is up to the Walloons to prove it. It is time for the silent majority to speak up.

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CSO: 3100

QUEBEC SEPARATISTS GIVE FINANCIAL AID TO ACADIAN PARTY

Montreal LE DEVOIR in French 1 Feb 80 p 8

[Text] Yesterday the Acadian Party's support committee made public the broad outlines of the finance campaign organized in Quebec to collect funds for the Acadian Party (PA) of New Brunswick. This campaign will run 1-15 February and will have as its slogan: "The Acadian Party is a YES for Acadia."

During a press conference, the group's spokesman, the PQ [Parti Quebecois] deputy from Sainte-Marie, Guy Bisailion, said that Quebecois organizations had set an objective of \$25,000 to be collected from Acadians and Quebecois who are sympathetic to the cause defended by the PA.

This campaign, which began some time ago in Acadia and which will be conducted in this region well after the 15th, has its sights, "above and beyond financing, on establishment of a network of Acadians living in Quebec as well as of Quebecois sympathetic to the Acadian cause."

Bisailion, who was accompanied by the deputy from Iles-de-la Madeleine, Denyse Leblance, stressed the fact that he was acting in a personal capacity and that his commitment did not necessarily involve the caucus of the Parti Quebecois.

In addition to these two political personalities, the support committee includes a certain number of personalities such as the former PQ deputy from Maisonneuve, Robert Burns; monologist Yvon Deschamps; singers Calixte Duguay, Pauline Julien and Gilles Vigneault; and comedian Gilles Pelletier.

The vice president of the PA, Louise Blanchard, and the director of the finance campaign in Quebec, Helene Castonguay, also attended the press conference.

"Acadia, which is asking nothing more than to leave the folklore sector, is principally and above all a political fight," Bisailion said. "These relations between the two peoples are nothing new, as in 1880 we

established ties with Acadia," Jean-Marie Cossette of the Saint-Jean-Baptiste Society of Montreal recalled.

These 2 weeks will be marked by various activities, such as the sale of macaroons [macarons: badges], an auction where one will be able to buy Acadian crafts and an exhibit of Acadian art, which will be held 11-15 February and during which there will be a roundtable whose subject will be: "The Political Future of Acadians."

The various individuals who participated in the press conference attempted to show the similarity between the struggles of the Quebecois and Acadians but were very careful not to attribute colonialist aims to the former.

"We Quebecois have a long-term interest in having a traveling companion on the English-speaking ocean which surrounds us. An interest at all levels," Gilles Vigneault declared.

This initiative by the two deputies of the Parti Quebecois did not result in "the taking of any common position on the part of members of the PQ," Leblanc said. "There is no agreement between the Acadian Party and the Parti Quebecois," her colleague from Sainte-Marie added.

The finance campaign will "not at all" be disrupted by the federal election campaign and will be conducted in cooperation with the Saint-Jean-Baptiste Society, the National Movement of Quebecois and a certain number of activists from county associations of the Parti Quebecois.

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CSO: 3100

ACADIAN DELEGATION MAKES 'PILGRIMAGE' TO FRANCE

Quebec LE SOLEIL in French 5 Feb 80 p A 7

[Article by Daniel Tacet]

[Text] Paris--The Acadians would like to have a permanent representation in Paris.

"A pilgrimage to origins." That is the comment made by Father Leger Comeau, president of the National Society of Acadians, during his present visit to France at the head of a large delegation including principally Gilbert Finn, president of the Assumption Society, and Pierre Poulin, secretary general of the National Society of Acadians.

The last historical visit by Acadian officials goes back to 1968. The delegation mentioned that visit quite frequently, recalling that at the time it was General de Gaulle who had given serious encouragement to French-Acadian bilateral relations by himself instituting privileged relations between the two communities.

As a matter of fact, it was 12 years ago almost to the day that de Gaulle, 1 year after having uttered his famous "Long live free Quebec," officially received the representatives of Acadia at the Elysees. Unofficial recognition, of course, but encouragement to take their destiny into their own hands. This encouragement after having been sealed principally by financial aid to the newspaper L'EVANGELINE--about \$1 million in 12 years--disintegrated, we must admit, with the passing of time. The Acadian delegates are quite well aware of this, and it is for this reason that they felt it necessary to form a new mission. After having met several high officials from the ministries of foreign affairs and cooperation, the Acadians met again at the invitation of the association, "Acadian Friendships," for a lunch attended by French sympathizers and quite a few Parisian Quebecois.

On that occasion, Father Leger Comeau recalled the affection of his fellow countrymen for France, despite this regrettable eclipse of bilateral relations.

"France has remained the same and has the nourishment we need," Father Leger Comeau said. In a related connection, he revealed that his mission had asked French authorities for an increase in cultural aid--advisers from the various disciplines--but also stepped up exchanges between Acadian and French nationals.

To the question of whether French television programs--a la Quebec--could be broadcast in Nova Scotia and New Brunswick, officials of the delegation were told that it was necessary to await the results of the Quebecois experiment in this sector before extending the system to Acadian television audiences.

During the 12 years between the first and present visits, many things have changed: after the cultural phase of this unofficial "cooperation," there has been visible movement into a stage in which economics seems to have taken the upper hand. Fervent wish of the Acadians or concrete reality? For the French, in fact, everything remains to be done in this sector, while for the Acadians, the decade of the 80's will be decisive. "Economic power is necessary for recognition," was the opinion of Gilbert Finn who predicted, "After the economic, we will see the political." The Acadians would like to establish a permanent and autonomous organization in Paris. That is a secret to no one. A mini-delegation which would have the mission of representing Acadia in France but also in Belgium, Switzerland and Africa, in a way a focus for presenting the Acadian reality.

The Acadian mission's stay in France, which will end with a trip to the provinces, this time should result in a strengthening of cooperation between the two countries. The Acadians are visibly happy to renew relations of confidence and friendship.

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CSO: 3100

MINISTER SPEAKS ON ENERGY CRISIS

Nicosia TRADE & INDUSTRY in English Vol 4 No 4, 1979 pp 6-8

[Text] The current state of depression and disarray in the world economy mainly as result of the energy crisis, created, as it was expected, adverse pressures on our economic system. The small size and the open character of the Cyprus economy aggravated the serious economic repercussions caused by these exogenous constraints. These affected, *inter alia*, our balance of payments and the cost of production and created unprecedented inflationary pressures.

Today Cyprus is passing through difficult economic conditions, particularly as it is based entirely on imported petroleum products. For this reason the problem becomes more acute and efforts on the formulation and introduction of a concrete energy policy have increased.

The Minister of Commerce and Industry, Mr Andreas Papageorghiou, launching an energy saving campaign, aiming at conserving fuel and making the public more conscious of the need to minimise waste, spoke at a press conference on December 7, giving the following analysis of the situation.

The energy problem is a universal one. It is a problem which affects all countries of the world, big or small, developed or developing. The problem is not a new one either. But it has become more acute after the energy crisis of 1973 especially in countries like Cyprus which rely almost entirely on imported petroleum products to satisfy their energy needs.

It will suffice to mention that since 1973 crude oil prices have increased by a factor of ten whilst at the same time certain oil products command in the spot market much higher prices.

As I have mentioned above, the energy problems affects both developed and developing countries. Developing countries, however, find themselves in a worse position since the energy problem places obstacles in their efforts to implement successfully their industrialisation plans, and hinders the establishment of a new international economic order about which so much has been said and which has been set as a target by international organizations concerned with the just distribution of the wealth of our planet.

There is no doubt that if energy conservation measures are not taken by all countries the energy crisis will aggravate with very serious repercussions for the whole world. This is the reason why all countries, rich and poor alike, are pushing ahead with the adoption of energy policies that will alleviate the energy problem at both national and international levels.

In Cyprus, as I have mentioned earlier, the problem becomes more acute since we rely entirely on imported petroleum products to satisfy our energy needs. I shall refrain from quoting too many figures; but I must mention the amounts of foreign exchange that we spent in 1973 and 1978 and the foreign exchange that we expect to spend in 1979 on imports of petroleum products.

During 1973 the foreign exchange spent on petroleum products was Ch 8 million which represented 16% of the total value of our exports. In 1978 this figure rose to Ch35 million representing 33% of the value of our exports. It is estimated that in 1979 the expenditure will be of the order of Ch50 million, which is equivalent to 38% of our total export receipts.

The Cyprus Government has long realised the need to tackle effectively the problem and, with the adoption of various measures, has already started implementing an energy policy that will alleviate the problem to the largest possible extent.

Before describing the various conservation measures for oil-derived energy, I would like to say a few words on alternative energy supplies as applicable in the case of Cyprus.

To start with, nuclear energy, which is now used in many countries, cannot be used in Cyprus, due to the relatively small electricity consumption in Cyprus and the high capital investments required for nuclear power plants. Hydroelectric generation is not possible for obvious reasons. We also lack coal and lignite deposits. A great deal, however, has been said about Solar Energy which, fortunately, is abundant in Cyprus.

As we all know, Cyprus is one of the first countries that utilise to a considerable extent solar heaters for the provision of hot water for domestic purposes. Cyprus is following all international developments in the solar energy field and it is our aim to take advantage of the experience and technological advances made by other countries so that solar energy can be used where economically feasible. Already the Cyprus Organisation for Standards and Control of Quality, is preparing a standard for solar water heaters in order to improve their quality and encourage their further use. The use of solar energy in multi-storey blocks of flats, hotels and industries is encouraged whilst its utilisation in green-houses is under consideration. At the same time the competent service of the Ministry of Commerce and Industry is studying various incentives that will make the use of solar energy more attractive and economically more viable.

The possibility of replacing oil derived energy by coal is known to Government and the initiatives taken in this respect by certain large enterprises, which have studied the matter in some detail, are being encouraged. These enterprises will shortly submit concrete proposals for a final decision. However I would not like to give the impression that switching from one form of energy to another is an easy matter, especially in the case of existing industries.

It becomes, therefore, clear by what was mentioned above, that the Cyprus Government has no other option than to turn to energy conservation and the minimisation of waste, in order to tackle the energy problem of Cyprus. Of course our immediate concern is to secure our oil requirements so that shortages in the productive sectors of the economy, and their adverse consequences, are avoided. Such a possibility arose in May, 1979 when the oil companies, which have been supplying the total of our requirements in petroleum products, indicated to Government that owing to cutbacks in production by oil producing countries they would have to curtail supplies to 1978 levels. This meant that since demand in 1979 was increasing and conservation was not then possible a real problem would have been created. It is for this reason that the Government approached without delay friendly oil producing countries with the result that, as has already been announced, a supply of 250,000 tons of crude oil has been secured from the friendly Government of Iraq. This quantity, together with the quantities to be supplied by the oil companies will ensure the uninterrupted and full utilisation of the Cyprus Refinery during 1980. The full utilisation of the Refinery will result in reduced imports of petroleum products, with foreign exchange savings in excess of ££3 million. I think it would be only fair to mention here that, in spite of their earlier statements, the international oil companies responded to an appeal by the Government and supplied Cyprus with its total requirements in the current year. In particular, oil companies will import during 1980 570,000 tons of crude oil, compared with 465,000 tons imported in 1978.

Another measure that we propose to take in 1980 and for which we have already secured the consent of the authorities in Iraq, is the use by our refinery of 'kirkuk' crude instead of 'kirkuk blend' type of crude. This will result in a further foreign exchange saving of ££1 mln.

Once adequate supplies for our needs have been secured our main effort is now turned towards energy conservation. The Council of Ministers, through its decision of 9th July, 1979, set the framework within which the Ministry of Commerce and Industry has acted without delay. I will now refer briefly to the various measures that have already been taken and to those that are planned for the future.

I will begin with the 'Odd-Even' measure, which is perhaps the most controversial one. This measure has been successfully implemented as from the 1st September, and is still in force. The following figures on petrol consumption are by themselves a strong indication if not a proof, of the economies achieved through this measure.

	1978	1979
September	8,280 tonnes	6,880 tonnes
October	7,520 "	7,200 "
November	7,650 "	7,130 "

The Ministry of Commerce and Industry, in consultation with the Energy Advisory Board, has studied in detail alternative measures, regarding the circulation of private motor vehicles. These measures include the coupon rationing of petrol and the immobilisation of vehicle one day per week at the choice of their owners. There is no doubt that rationing is the most effective measure. The Ministry of Commerce and Industry is now preparing a detailed plan so that it can be implemented without delay in case the Government decides to proceed with this measure. I would like to stress, however, that the implementation of coupon-rationing presents administrative problems and presupposes the employment of large numbers of staff.

In the transportation sector, the speed limit of 50 mph has been already introduced. After another decision of the Council of Ministers, the purchase and installation of synchronised traffic lights is being expedited. These traffic lights, together with the staggering of hours, will assist traffic flow and reduced traffic jams.

In the industrial and commercial sectors the main effort consists in rendering technical advice by an expert in energy conservation, who is in Cyprus under a U.N. technical assistance project. Already some 50 individual industries have been visited and there are indications that our industrialists are already taking steps to reduce waste.

Another measure that has been introduced, and will undoubtedly result in some savings, is the night ban on illuminated signs and advertisements. The introduction of Summer Time as from next year, has already been announced.

In the domestic sector, a lot of preliminary work of the competent subcommittee of the Energy Advisory Board has been completed. The subcommittee's report will be discussed shortly by the Board and its final views will be submitted to Government for the formulation of measures that will assist in energy conservation in this sector.

It has often been stressed that, for an energy conservation measure to succeed, it must first be accepted by the public. The Energy Advisory Board has accepted and recognised this principle right from its first meeting and, together with the subcommittees that were established, viz. Transportation, Industry and Domestic, a Publicity Subcommittee was established having as its target the preparation of a publicity plan aimed at the creation of an 'Energy Conscience' amongst the Cypriot people. The Publicity Committee, to which the necessary funds were allotted, has recommended the undertaking of a wide publicity Campaign responsibility for which has been assigned to a professional advertising agency.

It is on the occasion of the launching of this publicity campaign that I considered it

appropriate to brief the representatives of the press on the Government activities and plans to tackle the energy problem in Cyprus.

Concluding I would like to mention that Cyprus is perhaps one of the first countries to implement energy conservation measures. This does not mean that we have exhausted all the measures that need to be taken in order to really alleviate the problem. On the contrary, the Government recognises the need for further measures in all sectors and the urgency of amending legislation empowering the Government to take such measures. To this end we are already in touch with the office of the Attorney General for the preparation of the necessary Bill. We also fully recognise the importance of investigating thoroughly the question of oil supplies as well as the mode of operation of the Refinery, the products it produces and their specifications. All these matters are the subject of a special study now being prepared by a firm of consultants which is expected to be completed by January. In spite of the fact that the Government will make every possible effort so that shortages are avoided, especially in the basic productive sectors, the public has to realise that some sacrifices are needed in order to avoid more restrictive measures in the future. The Government believes that the measures which have so far been taken cannot be considered as painful, since production has not been affected and any inconvenience that may have been caused to the public is minimal in comparison with many other countries. This is why it is very much hoped that everybody will contribute to the effort for energy conservation and will show the necessary understanding in facing this problem which, as I stressed at the beginning of my address, does not affect Cyprus only but the whole world.

To sum up I should like to assure you that the Government will be guided in all its actions by the principle of securing adequate supplies at the lowest possible cost and achieving at the same time the maximum possible conservation in energy consumption.

NEW INFORMATION LAW PASSED BY HOUSE

Nicosia CYPRUS MAIL in English 8 Mar 80 p 1

[Text] The Cyprus Journalists Union has described as a Damoclean sword the law passed by the House of Representatives this week about compulsory disclosure of information to the House concerning any matter on which a parliamentary inquiry is being carried out.

It demanded the immediate repeal of the law.

The law, passed by the House on Thursday, makes it a criminal offence punishable with up to seven years imprisonment, any refusal to provide information or providing misleading information to the House when called upon by the parliamentary committee to furnish information.

In effect, the law empowers the parliamentary committee of the House through its chairman, acting on a resolution from the majority of the members, to subpoena independent officers of the Republic, public servants and any other person to provide information about matters being investigated.

Any person properly served with a writ to appear and give evidence or present documents or give information before a parliamentary committee who refuses without justification or fails to appear or refuses without lawful justification to deposit what he knows or submit documents or provide information which he knows or is in possession of, commits a criminal offence of contempt to the House of Representatives is liable to imprisonment not exceeding seven years, says the relevant article of the Bill.

And if the parliamentary committee by majority decided there is reasonable suspicion of committal of an offence of contempt the case is referred to the Attorney General to decide about prosecution.

During the debate in the House it was made clear that journalists were not exempted from the provisions of the law, and the Executive of the Journalists Union met in special session yesterday to consider the implications.

Opinion

In a strongly worded statement the Union complains about the way in which the Bill was passed without being publicized and without the parliamentary committee concerned inviting representatives of organizations concerned to inform them of the details and hear their opinion.

It goes on to denounce the law as totally illiberal undemocratic and a dangerous threat for the fundamental rights of individuals and the people and more particularly for the press, journalists and the universally accepted and entrenched rights and the fundamental freedom of the press.

What needs to be done is the full safeguard of these rights and the creation of conditions for free access to the sources of information and not through the muzzling in any way or preventing of the press from exercising unobtrusively and responsibly its high social function, the Union says.

It is further says that the law as it stands tends to turn the House and its parliamentary committees into a police investigative organ and add:

Surely we do not challenge the right and the duty of the House to exercise effective parliamentary control over the Executive, which should be done within the framework of existing legislation and the constitution, but on no account should the House be turned into an instrument of interrogation of persons and especially of press officers.

We do not challenge the right of parliamentary committees discussing a subject to invite organizations or individuals to give information but on no account should this be in the form of interrogation or compulsion.

Finally, the Journalists Union invites the House to repeal the law so that the Democlean sword shall cease to hang over the press and journalists and every Cypriot citizen and says it would see the House President, party leaders and the Attorney General to this effect.

But if its efforts fail it will carry on the campaign decisively so that the threat of muzzling the press and its officers shall be eliminated. It says that to this end it will seek the collaboration of the publishers, other organizations and public opinion because the matter concerns directly the rights and freedoms of all the people.

According to legal opinion from the Attorney General the measures are not contrary to the constitution and notes that similar provisions exist in other Presidential governments like that of the United States.

Appropriate

Mr Tornanitis quotes American Courts' opinion to the effect that the power of inquiry, with process to enforce it, is an essential and appropriate auxiliary to the legislative function.

But he points out that under the constitution the members of the Council of Ministers cannot be treated as public servants and cannot be made to appear before parliamentary committees as they are not legally obligated to answer questions in the House.

The Attorney General says that the Ministers should appear before the House and parliamentary committees to give necessary information but this political obligation should not be made a legal obligation since it would conflict with discretionary powers. On the strength of this opinion a relevant reference to Ministers in the original draft was deleted.

CSO: 4920

CYPRUS

PRESS OFFICES IN WORLD CAPITALS

Nicosia THE CYPRUS WEEKLY in English 29 Feb 80 p 2

[Text] The Cyprus Government is to set up Press Offices in six cities in Europe and the United States as part of its intensified enlightenment campaign.

The annual report of the Public Information Office says preparatory work has been completed and provision is made in the 1980 Budget for funds to operate Press Offices at Cyprus Embassies in Washington, London, Paris, Bonn, Brussels and Geneva.

The posts will soon be approved and published so that suitable candidates will be selected to take charge of the Press Offices.

Press Centre

The report, presented to newsmen by PIO Director Mr Miltiades Christodoulou, outlines the expanded functions of the Department, which range from projecting Government work at home and abroad to organising conferences and seminars (there were 30 such gatherings during 1979).

The PIO was also instrumental in getting the government to agree to provide land near the Presidential Palace for the construction of a Press Centre to house the Cyprus Journalists Union.

It also helped in the discussions that led to the drafting of legislation by the Attorney-General providing for the safeguarding of the journalistic profession and introducing a pension scheme for Cypriot journalists.

The Bill is now being discussed by the journalists and other interested parties and it is expected to be tabled in the House of Representatives "in the next few months."

The PIO now has specialised sections dealing with Turkish, Greek, French, Spanish, Arabic, English, Russian and German publications.

During 1979, the Press Section issued 2,945 press releases for the Government, 265 for the House of Representatives, 545 informative bulletins, 506 police communiques and 1,100 press releases on behalf of other organisations.

Publications

According to PIO records, 9 dailies, 20 weeklies and 8 other newspapers, as well as 23 periodicals, were in circulation last year.

Fifteen news agencies, ten radio and nine TV organisations, 35 newspapers and five photographic agencies were represented in Cyprus.

The Photographic Section of the PIO covered some 1,400 events and printed some 80,600 photographs, the report says.

The Liaison Officer's section gave publicity to 1,593 events, arranged for interviews with Government officials and handled questionnaires submitted by newsmen.

CSO: 4920

CYPRUS

WETTEST FEBRUARY IN YEARS

Nicosia THE CYPRUS WEEKLY in English 29 Feb 80 p 4

[Text] Frequent and prolonged outbreaks of rain over many parts of the island in recent weeks have made this month the wettest February for nearly 25 years.

Reports prepared by Meteorological Offices in Nicosia, Paphos, Larnaca and Akrotiri indicate that the rainfall in February has been far above the normal for this time of year--sometimes three times as high.

Nicosia, for example, had 112 millimetres of rain by yesterday, compared with its normal of 40 m.m.

Paphos, on the west of the island, had 124 m.m.--more than double the average for February.

Records

Rainfall at Larnaca reached 96 m.m. by yesterday, while the normal for the month is listed as 47 m.m.

The area of Kokkinochoria, south of Famagusta, where most of the potatoes grow, has had 85 m.m. of rain (48 m.m. average).

The Met Office at Akrotiri reported that total rainfall in the area reached about 155 millimeters, the highest for February since records began at Akrotiri in 1956.

The previous wettest February was in 1961 when the rainfall recorded reached 152 m.m. Average rainfall for Akrotiri in February is 60 m.m.

Up on Troodos, the rainfall reached 165 m.m. while snow has been piling up on the mountain peaks.

In contrast, January though cold, was not as wet as it seemed. Rainfall was below normal over most areas, according to official figures.

Damage

Monthly mean temperatures were below average in all areas as the cold spell which moved in at the end of December continued to grip the island, with widespread night frosts.

Farmers and animal breeders have welcomed the wet weather, but potato growers complain that frost caused some damage to their crop earlier this month.

The Department of Agriculture says prospects for cereal crops (wheat and barley) are "very good" so far, but adds that "much will depend on weather conditions during March and April, the critical growing period."

CSO: 4920

AFGHANISTAN, INTERNAL SPLITS PLAGUE COMMUNIST PARTY

Copenhagen INFORMATION in Danish 11 Feb 80 p 4

[Article by Søren Riishøj, high-school civics teacher]

[Text] It makes sense to distinguish between hegemonism and imperialism.

It must be hard to be a member of the DKP [Danish Communist Party]. On top of the domestic problems--internal splits, a senile leadership, uncertainty about such central questions as the position on atomic power and the woman question, there are the problems caused Dronningens Tværgade by the big ally in the east, the Soviet Union.

It takes a good deal of nerve to identify oneself to that extent with a particular superpower's foreign policy dealings. Afghanistan is no exception. On the traditional DKP placards we see Soviet soldiers standing guard over the big areas won since the coup of 1978. Soviet soldiers on guard over true socialism. The line from Hungary in 1956 and Czechoslovakia in 1968 is clear.

Just as before, the events in Afghanistan have split the left wing, including that part of the left wing that normally takes a critical attitude toward the Soviet Union. It is interesting to read Else Hammerich's comments on the Afghanistan debate in the European Parliament (INFORMATION, 25 January 1980), and it is also a good example of the "non-partisan" line of the People's Movement. All that is stated is a protest against Afghanistan's being included on the agenda at all, but the attitude toward the Soviet intervention shows through, or more correctly, neatly wrapped, a support can be detected for the French communists, who dared to defy the feeling that had been "whipped up" in the hall.

The truth about the Soviet Union's invasion of Afghanistan is far deeper-based than the DKP is acknowledging outwardly.

In that connection the Soviet position on Iran is a chapter apart. There, as is well known, an Islamic régime is in power that has attitudes toward

socialism, the position of women, etc., that correspond in the main to what we met in Pakistan and among the Mohammedan insurgents in Afghanistan. For several months after the upheavals in January 1979 the Soviet Union took a neutral, waiting attitude. The tone did not change greatly when Khomeini's policy became clear, but--before Afghanistan--it was possible to support the demand for liberation of the American hostages.

Immediately after the invasion of Afghanistan it was possible to detect a slight tendency to make Iran an accomplice of Pakistan and the United States, but now the whole attitude is reversed. The Soviets are engaged in a regular race with the United States to win Iran's friendship. They even go so far as to say (PRAVDA, 28 January 1980, signature Ovtshinnikov) that "Ayatolla Khomeini's antiimperialist course in foreign policy and his orientation toward the poor and unfortunate strata of society in the carrying out of internal socio-economic reform have powerfully increased his authority in the country and also outside of Iran."

That tops it off: they invade a country to protect the country against a feudal Islamic régime, and undisguisedly heap praise on a correspondingly feudal, Islamically ruled neighboring country. Perhaps we shall now see our DKP'ers here at home in the same rôle; in any case it will be nice to find out precisely what the party's position is.

As far as that goes, the Soviet attitude is not surprising. The Soviet Union refused, for example, to dissociate itself from Amin's régime in Uganda, is cultivating "good" relations today with Libya, and can change partners with lightning speed in the conflict between Ethiopia and Somalia.

But what is the real reason for all this "confusion"? In any case it can be said that two lines can be distinguished in Moscow's foreign policy. There is an *ideological* line, the desire to extend "socialism" of the Soviet type to as many countries as possible, and a *political interests* line; i.e., a line determined by considerations of security and power politics.

At some periods the synthesis of these two lines has resulted in peaceful coexistence, i.e. a political and economic collaboration with capitalist countries; at other periods it has resulted in "cold war."

Peaceful coexistence (*détente*) has prevented atomic warfare, but the close east-west collaboration has weakened the underdeveloped countries in their fight for a new economic world order. Cold war is synonymous with increased economic and military involvement in third countries by both superpowers; the losers again are the underdeveloped countries and the nonaligned countries. Cold war means more help with armaments and less civilian aid, and it means that the Soviet Union finds allies in everybody, including Khomeini's Iran, that is anti-American and preferably also anti-Chinese.

The motive power in Soviet and American foreign policy respectively is different. While capitalism suffers from marketing crises, in the Soviet

Union they suffer from lack of basic everyday goods.

Thus it makes sense to distinguish between hegemonism (non-economically conditioned) and imperialism (economically conditioned). The demarcation is unclear, since economic considerations, e.g. those surrounding the raw material and energy problems, also play a part for the Soviet Union.

For the oppressed nations of the world there is no profit in getting caught in a Brezhnev doctrine or a Carter doctrine. It is gratifying that left-wing voters here in Denmark, according to the latest Gallup poll, continue to adhere to the parties (Socialist People's Party and Leftist Socialists) that can take a critical attitude both to a Vietnam and to an Afghanistan.

8815

CSO: 3106

GLISTRUP'S PROGRESSIVE PARTY CONTINUES DECLINE IN POLLS

Stockholm SVENSKA DAGBLADET in Swedish 16 Feb 80 p 7

[Article by Per Sabroe]

[Text] Glistrup is losing ground in Denmark. In the October election, the Progressive Party--once the second largest party--became but the fourth largest party, and the decline continues.

In opinion polls taken during the last few weeks by three different newspapers, the party got only 8.9 and 10 percent of the vote against 11.5 percent in the election on 23 October and more than 1% percent in the immediately preceding election.

"The reason is obvious," says Glistrup. The party is being persecuted, the press writes lies about disputes within the party but neglects our program. Anker Jørgensen persecutes Glistrup by causing him to appear in court in a purely political case, says Glistrup.

Disunited Party

He continues:

"When Denmark can no longer go to lending banks abroad but will have to go to the counter which says repayment, the Progressive Party will be needed to rescue Denmark."

Mogens Glistrup made these statements when he was asked on TV to comment on the party's decline.

"There are no problems within the Progressive Party, no disputes," he said repeatedly, omitting entirely to comment on or respond to articles written by his own fellow party members and which dealt with the very power struggle within the party. The party is divided into two fractions, one which wants to cooperate with the other non-Socialist parties, and one whose sole goal is the realization of the program of the Progressive Party.

Same Program

Glistrup is supported by fellow party members who find that the press is displaying Fascist traits by neglecting to describe the Progressive Party correctly.

Danish journalists now tend to write little about the program of the Progressive Party, but then the program has not changed much since the early seventies. The journalists clearly find it difficult to reiterate that which, despite their respect for objectivity, they, nevertheless, consider to be a mirage.

Glistrup thus still finds it necessary to dismiss 115,000 public employees. They have to be switched to productive export work together with the present 200,000 unemployed Danes. Work will have to be found for them when taxes are reduced.

Glistrup is of the opinion that wages and salaries will have to be reduced insignificantly and that taxes must be reduced by 80 percent. When everybody works to promote Danish exports, Denmark's foreign exchange debts, which now approach 100 billion Danish kroner, will disappear. Denmark will then find itself without debts, without unemployment, and the country will get only happy pensioners [under the national pension insurance scheme].

Fewer Day Nurseries

This is what can be gathered directly from Glistrup's statements. Glistrup, furthermore, claims that there will not be a need for as many day nurseries. When people can save on taxes, they will not need two incomes, and mothers can stay at home and take care of their children.

Prosecution

"The press pays no attention to us when we propose more than 1,000 amendments to the budget," Glistrup goes on to say. It is much more interesting for the journalists to write about the parties which keep changing their positions.

Another reason why the party is losing ground, says Glistrup, is the legal action against him for tax evasion.

"I had to sit in the court for thousands of hours because Anker Jørgensen ordered the legal action against me."

This is a charge which does not quite conform with the truth as it was a non-Socialist government which asked the police to intervene.

Takes Comfort

According to his own statement, Glistrup takes comfort in the thought that all new political thinkers are subject to persecution. This also happened to

the Social Democrats when they started their party in the last century.

Glistrup hopes to regain his power position in the coming election.

"As you know, we are supported by more than 300,000 voters," he says.

The Progressive Party today has 20 seats out of 179 seats in the Folketing. It was superseded in the most recent election by the Liberal Party and the Conservative People's Party, each of which have 23 seats.

Glistrup is now anxiously looking forward to the new, difficult negotiations on the economy in the Folketing in the spring. He will here, once more, present his proposals for Denmark's rescue.

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CSO: 3109

CP PAPER GIVES VIEWS OF CHAIRMAN AFTER CENTRAL COMMITTEE MEET

Copenhagen LAND OG FOLK in Danish 5 Feb 80 p 3

[Text] "Danish press, radio, and TV are assuming a big responsibility by their compliant behavior with regard to Carter's and the NATO generals' warmongering," Jørgen Jensen, chairman of the DKP [Danish Communist Party], declared at the meeting this weekend of the central committee, where the current situation and the party's problems were up for debate.

The central committee also discussed the preparation for the 26th congress of the DKP, which will be held at Easter (3-6 April). It was also decided to support a proposal to carry out a joint trade union Mayday demonstration at Copenhagen against the income policy. It was also resolved to hold a LAND OG FOLK festival in the common park in Copenhagen 16-17 August.

Gross Misrepresentations

Naturally enough, party chairman Jørgen Jensen also went into the international situation when he spoke at the opening of the meeting of the central committee, even though this question also figured as a separate point later on the agenda.

Jørgen Jensen emphasized that the media, without the least desire to provide real information, are grossly distorting the facts and mixing the domestic defense debate into the situation to rationalize NATO's demand for increased armaments.

He pointed out that the United States, even before the Soviet decision to grant the Afghan revolution military aid against intervention from outside, had set itself strongly against détente. As early as 1977 the United States had decided to set up its "quick reaction corps." NATO's increased arms program was worked out in 1977 and 1978. And the result of the SALT 2 negotiations was put on ice for a long time and made impossible by last year's decision to station atomic rockets in Western Europe, he said.

In preparation for the comprehensive debate at the meeting, a discussion plan was sent out in advance by the party chairman, who summarized in it the results of the comprehensive debate in the party after the election, especially concerning the causes of the election defeat, the units in the party, and the DKP's relations with the other parties and groups of the left wing. Within the next few days LAND OG FOLK will publish the full text of that plan.

Jørgen Jensen stated that in the present situation the party's central and decisive tasks are to reinforce the fight for the policy of détente, to continue to support work against integration into the EC, to increase the activity in the trade union organizations, and, against the background of the government's new cut-back campaign, to take up the fight against welfare reductions.

Culled Out

"That makes demands on the party's ability to set priorities on its objectives," said Jørgen Jensen. He also brought out the fact that there must and will be time for political debates in the grass-roots organizations, as well as for local political activity.

The chairman of the DKP emphasized that unemployment hits the weakest groups hardest, and that this is also increasingly reflected in legislation.

"The legislators seem to reason that when there are 10 percent unemployed, there are 90 percent employed, and if we can separate them out, the 10 percent are not so dangerous.

"The 150,000 unemployed are 150,000 that attempts are being made to separate out, that are sorted out. We must make sure they and their problems are linked up with those who are still employed, so that this divide-and-rule policy on the part of the politicians who are trying to cut back will not succeed," the party chairman said.

The extensive debate reflected great unity in appraisals both of political trends and of the party's tasks in the new situation. From several quarters there were demands for better information, within the party as well as elsewhere. That applies both from the party headquarters outward, from the many effective committees under the party leadership, concerning the work in the regions and municipalities, and also from the party life as such back to headquarters.

Trade Union Initiatives

Many of the speakers at the meeting of the central committee emphasized that the growing wage activity, which has already produced a lot of good results, must now be made to grow into a more conscious opposition to the income policy, which to an increasing extent is hitting wage-earners socially and in the housing field.

In that connection a number of trade-union initiatives were discussed that are now being readied both in North Jutland and in Copenhagen on the initiative of shop stewards' groups.

It was brought out in the debate that "the worst encroachment of the century" had aimed at a 5 percent drop in real earnings, but that the weak groups, which cannot get anything for themselves beyond the one cost-of-living allowance that the government most graciously refrains from stealing from the wage-earners, are getting a double drop in real earnings!

New public cutbacks are now being prepared, but they are not apt to solve the Danish economy's balance problems that are so much talked about, since their import-restricting effect is slight. It is obvious that for that reason plans are being laid to try more purposeful props for industry, but these, too, will at best postpone some of the basic problems of the Danish economy, but not solve them.

The central committee meeting adopted a statement concerning the government's economic policy and employment, which says in part:

"Economic problems have dominated public debate at the expense of the continuing problems of the unemployed. Changing governments' interventions have worsened the problem of unemployment, especially among the unskilled, women, and the young.

"Wage supplement arrangements, job offer arrangements, and the contemplated "youth guarantee" are fig leaves that the government holds in front of it to hide the real problems. At the same time both the government and the rightist forces are consciously trying to create oppositions between the unemployed and those who have work.

"The communists demand that a start be made with the following initiatives:

"Expansion of public housing construction,

"Commencement of urban renewal projects,

"Expansion of public investments,

"Employment of 20,000 more in the public sector,

"Prohibition of overtime work,

"Improved maternity leave,

"More funds for State Support of Education and liquidation of bank loans with stipends,

"Reintroduction of pay to EFG [basic vocational training] trainees and enlargement of the capacity of the EFG schools,

"Ensuring job-training places for the EEC trainees,
"Abolition of restrictions on access to more advanced education, and
"Faster expansion of oil and gas extraction from the North Sea.
"The carrying out of these demands will provide work and training for many
unemployed persons."

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CSO: 3106

LIBERALS' BRØNDUM FORESEES LIKELY DEMISE OF PARTY

Copenhagen BERLINGSKE TIDENDE in Danish 15 Feb 80 p 10

[Editorial; "On the Road to the Year 2000"]

[Text] The Liberals' theoretical program, which has the title "On to the Year 2000," will be the last. For by the turn of the century the party will have no members left. It is in this provocative form that Erling Brøndum presents his view of the Liberal Party. As editor of HORSENS FOLKEBLAD and former defense minister, he is as good a liberal as anybody, and what he writes should be considered.

Brøndum observes that in recent times his party has been steadily and quietly halved. He can see three causes for this. One is that the traditional voter groups have become fewer. The second is that the Liberals' roots have somewhat died out. And the third is that the party is somewhat moss-backed. But lastly, Brøndum thinks that more than anything else, the Liberals are not truly liberal. For that reason he says that the income policy should be given up. It is better to cut the state's contribution to the unemployment funds down considerably.

But equally interesting is Brøndum's position on the possibilities of political collaboration. For him there is no doubt but that at present there is no other possibility than sticking closely together with the conservatives. It is quite true that the Liberals have an old grudge against the Conservative People's Party, but it is better for both of those parties to stick together, even if one or the other comes to dominate in one field or another. Otherwise the Liberals will become a weak little party that will have to look on impotently while the country becomes more and more socialistic. It must not happen again that Anker Jørgensen plays off the Liberals and Conservatives against each other.

Erling Brøndum's article is a clear recognition of the situation in which his own party finds itself, and his appraisal will also have considerable validity for the Conservative People's Party. Neither the Liberals nor the Conservatives get much satisfaction out of calling attention to their differences. For a time that might cause one to gain and the other

perhaps to lose ground, but in the long run the reverse would be true. That has been experienced so often in the past and will be repeated. If there is to be an opposition that can be recognized by the people as a real alternative to a Social Democratic government, it is an indispensable prerequisite that the two parties constitute a partnership. In the tactical political game the small victories or defeats are of no great interest and will benefit only the Social Democratic Party. If, on the other hand, the two parties can join in a liberal policy, they will not only be able to define their position more clearly, but will also be able to clear the way for formation of a government that sooner or later can replace a Social Democratic régime.

If this succeeds it will not be necessary to worry about whether there is a need for a program for the year 2000. It will even be conceivable that by that time there will be a joint theoretical program.

8815

CSO: 3106

ILLUSIONS ON AFGHAN CRISIS DISAPPEARING

DW241503 Frankfurt/Main FRANKFURTER ALLGEMEINE in German 21 Mar 80
p 1 DW

[Editorial by Fritz Ullrich Fack: "The Fog Is Lifting"]

[Text] Slowly the fog of illusions over Afghanistan is lifting. The Red Army is making preparations for an extended stay in the country, determined to break the resistance against the imposed communist regime completely. The tone from Moscow is threatening, even the word "hot war" occurs in it. Letters of the chancellor full of concern are being answered harshly and with rejection. The Kremlin calls the proposal on neutralization "a new plot against peace and for cold war."

Gone are the hopes of the chancellor for a "process of thought" that might have begun in Moscow. There is only the well-known rigid position, paired with a few old diplomatic ruses. Why should Brezhnev have forgotten, anyway, that a year after the quelling of the Prague Spring the actual, the "great" detente period was rung in?

Nowadays people are saying defensively that after all, Afghanistan had always been considered a Soviet sphere of influence, with 6,000 Russian advisers since the Taraki overthrow in 1978. Why, then, directly demand the full independence and nonalignment for the country, that is, more than the status quo? The Russians, too, are interested in winding up their Afghan adventure without loss of face. One only needs to help them out of the dilemma decently instead of leveling charges at them or--which is the height of folly--even imposing sanctions on them.

This is, you will notice, already one phase of the withdrawal from force. With some benevolence the proposal on neutralization so brusquely rejected by Moscow might be regarded as a line of defense. As illusory as it was with respect to its chances of success, it did have its merits in one point: It was suited to make the nonaligned sit up and listen, and to show them what the Soviet Union thinks of such a status when things come to a head--nothing. The proposal, meanwhile reduced from "neutralization" to "nonalignment," has fulfilled this purpose in any event.

Only, this coin, too, has two sides because after its rejection everybody now asks whether the whole matter should be shelved and whether the Russians may subjugate Afghanistan without any consequences. This is the question for which the answer is lacking from those who--like Schmidt and Genscher once again before the Bundestag--demand the withdrawal of the Russians from Afghanistan without backing these demands with sanctions.

The American answer to it came early and was surprisingly firm in comparison to their previous behavior. What has diluted it was not the selectively cited erraticism of the U.S. President, but the reluctance above all of France and the Federal Republic to follow this course, a reluctance which becomes more obvious from one day to the next.

Naturally and despite all denials, Schmidt's visit to Washington was full of differences of opinion. There was no need for Wehner's provocative statements made last weekend with regard to closing the arms gap problem, connected with some pleading for detente, in order to stress the distance. Great and important parts of both Bonn government parties do not want to realize that the Soviet Union in Afghanistan has crossed the Rubicon of what is reasonable. They do not want to accept either that this has created a deep impression in America and that a process of rethinking is taking place there. A prominent older social democrat has written to us the following and his certainly correctly reflects the mood in broad parts of his party: "Even if another Afghanistan were to take place, detente would remain even then the first duty of the citizen."

Europe does not want to abandon the illusion that the Soviet Union is a basically peaceful, saturated world power which does not strive for expansion and which is only involved in a noble competition of systems. The French president experienced a rebuff in Moscow some time ago when he demanded, based on this illusion, that the ideological trench war ought to be abandoned as a counterpiece to political detente. The answer was a clear no, but the success of that lesson was small, as can be seen today.

The Soviet Union feels strong enough to repulse every mediation suggestion in connection with the matters of Afghanistan. It knows its European men [Europaeische pappenheimer] and it knows that in all the countries are powerful factions whose reputation and political fate depend decisively on the fact that detente not lose its attractiveness within their respective publics. This faction did not want to see the signs of the time in Angola, Mozambique, Ethiopia or South Yemen either. Now it pleads for "helping out" the Kremlin from the Afghanistan adventure, although it obviously does not care about it and continues untouched toward full subordination. The matter becomes historically fatal due to the fact that a trench is being opened with regard to America that might possibly call into question everything that is growing there at present with regard to the will to resist.

CSO: 3103

COUNTRY SECTION

FEDERAL REPUBLIC OF GERMANY

COMMENTATOR: WASHINGTON PLAYING CHINESE CARD AGAIN

DW201842 Frankfurt/Main FRANKFURTER ALLGEMEINE in German 20 Mar 80
p 12 DW

[Commentary signed Ein: "A Lesson"]

[Text] The Americans are passionate poker players. What is characteristic of the perfect player is the high degree of engagement and bluff. Now and then it appears as though in the field of foreign policy, too, the United States tends toward playing poker. At present the Chinese card is being played again with an impassive expression. As late as only 2 weeks ago Deputy Secretary of State Christopher let it be known that America would not deliver any war material to China. Now it is said that military equipment of the "nonoffensive" type will be made available to Beijing. A new turn was given to the strategic gamble. Or was it only a bluff at the time? This much is certain, however, that any support is helpful for the Chinese Army. Armed forces that must be modernized are also grateful for the supply of transport planes, computers and trucks. And apart from this effect the American decision has a psycho-strategic significance, too. Moscow has done nothing less than drive the Americans and Chinese toward each other. Maybe the Kremlin will learn this lesson.

CSO: 3103

RISING TRADE DEFICIT, INFLATION CAUSE CONCERN

Hamburg DER SPIEGEL in German 10 Mar 80 pp 23-26

[Text] The Federal Republic is approaching the 1980's with deficits in the current account, rising rates of inflation and the declining external value of the D-mark.

Immidst a memorable business revival and, of all times, just 6 months before the Bundestag election, the administrators of West German prosperity are walking about with frowns on their faces. The situation is rather serious, runs the furtive whisper among bankers and Bonn rulers; only Economics Minister Otto Graf Lambsdorff is prepared candidly to admit: "We will have to get out of this situation in 2-3 years."

Oppressing the count and the bankers at the moment are some key data which tend to obscure the image of the radiant economic giant--Germany. For the first time in 14 years the Federal Republic of Germany has a deficit in its foreign trade balance--DM9 billion. For the first time in 5 years the rate of inflation has climbed to above 5 percent. And since the beginning of 1980 the external value of the D-mark has declined by 4.7 percent against the dollar.

It is feared that the situation will further deteriorate in the course of 1980. The government and the Bundesbank expect the current account deficit to rise to DM20 billion, and some bankers foresee an inflation rate of 7 percent; business growth is unlikely to be above the zero limit by the end of the year, and the value of the mark may well continue to decline--the bankers are apprehensive of a dollar exchange rate of DM2.

The model country of the West--is it possible that its golden age has come to an end with the onset of the 1980s? The export giant of the free world, will its exports cease to prevail against the oil bills of the sheiks? The fortress of economic stability--is its currency going to become so soft that it may lose the charm of an international reserve currency?

Last week already the dollar climed to the DM1.80 limit. Since the turn of the year Federal German loans have lost more than 7 percent of their value.

Investment counselors have long been advising flight to the rising dollar, because--thanks to exorbitant rates of inflation--the United States offer 17 percent interest rates. As a result the interest charged to new German issues is rising by the hour--but not nearly enough to hold up the stampede of money out of the country.

Unless the Germans succeed in turning round their balance of payments--accepting additional hardships thereby--the Bundesbank and the Economics Ministry now fear that, following many years of increasing strength, the Federal Republic will turn into a country of structural deficits. The more profound causes of the great change are, after all, less amenable to removal than overheated interest speculations on the investment markets. Last year the bill for imported oil to be paid in U.S. dollars rose from DM32 billion to DM48 billion--though in 1979 Germans could buy dollars 9 percent cheaper than in 1978. A hard winter, the price terror of the OPEC cartel, hoarding purchases to build up a security reserve and the surprisingly strong economy had lifted the price and volume of oil imports far higher than initially assumed.

In addition to oil other imports also climbed by about 10 percent in 1979. The price of import goods rose by an average of 20 percent. True, the Germans exported 7.25 percent more goods than in 1978, despite the high value of the mark, but prices of export goods increased by only 3 percent.

In trade transactions as such, therefore, not only did the ratio of imports to exports deteriorate, that of import and export prices also worsened (the terms of trade). "Even without the oil-related additional burden of about DM15 billion," summed up the Duesseldorf Trinkaus and Burkhardt Bank, "a slight decline in the balance of trade surplus would have been virtually inevitable in 1979."

In addition to the sheiks, German tourists abroad took more money out of the country than ever before--the deficit in tourist travel amounted to about DM22 billion, the same amount as the seriously shrunk surplus in trade transactions. Lastly the money sent home by foreign workers and large payments to the compensation funds of the European Communities managed to land the West German current account in a DM9 billion deficit.

The same trend will persist, maybe even more so, in 1980. Once again crude oil prices are rising, and rising at the same time is the exchange rate of the dollar: Though oil imports may decline, the oil bill will increase to more than DM60 billion. Dramatic export growth can no longer be achieved because demand has slackened in the countries which purchase German goods.

Also slackened has business with the OPEC countries in the Middle East. Since the mullahs in Iran stopped the hasty industrialization program of the Shah, the rulers of the other oil countries--advised by, among others, former Federal Economics Minister Karl Schiller--have reevaluated their future relations with the West. After financing their necessary infrastructural

investments, their buying fever for industrial goods abruptly subsided. In the words of a Bundesbank official: "The recycling of petrodollars is no longer operative."

If it keeps on like that, the Western industrial countries--including such previously strong nations as the Federal Republic and Japan--will suffer from serious foreign trade deficits for many years to come.

The Frankfurt Bundesbank officials now fear that, by way of the balance of payments and the external value of the mark, such a massive inflationary pressure will be exerted on the Federal Republic from the outside, that the classic methods of monetary policy will fail to withstand it.

The higher import prices alone are dragging monetary devaluation into our country: Producers and consumers purchasing foreign goods must pay more than before. If the value of the mark were to decline further, this trend might become even stronger.

As the undertow of high import prices carries away nearly everything gained by industry and trade as a consequence of additional productivity, this imported inflation threatens quickly to engulf the domestic scene also. Government and labor unions still behave as if a real 2-3 percent growth of the gross national product might after all be possible in 1980. The labor union leaders interpret this as providing the green light for real wage raises in a similar volume--and they are acting accordingly.

IG [industrial labor union] Metal chief Eugen Loderer has already launched his demands for a 7 percent wage raise. OeTV [public service, transportation and communications trade union] chief Kluncker, some of whose clients hold their jobs for life, asks for 9 percent more money for civil servants. However, real growth is no longer expected in 1980, and productivity improvements are swallowed by rising import prices and the declining exchange rate of the D-mark. Consequently wage increases will this time be fully reflected in costs.

Already industrial producer prices--an important indicator of the trend of prices for consumer goods--are 8 percent above those of the previous year. Last week the Wolfsburg VW plant decided to raise car prices by 4.7 percent and thereby signposted the trend for the entire automobile industry. Nearly all countries which are major trading partners of West Germany are operating with double-digit rates of inflation, Italy with more than 20 percent. They export inflationary pressure to us.

Bundesbank president Karl Otto Poehl, aided by Economics Minister Otto Graf Lambsdorff and Finance Minister Hans Mattheofer, is trying desperately to check the price drift and exchange rate decline of the mark by imposing higher interest rates. Their scope, though, is all too narrow. Should the dollar continue its rise regardless, they will be unable further to raise interest rates because business at home would collapse. If, on

the other hand, they lift the external value of the mark too much, exports are threatened. In any case there is little prospect for us quickly to emerge from the balance of payments deficits.

The Frankfurter Bundesbank therefore has long since sounded the alarm. Pessimists in the boardroom fear that the immediate future holds only two possibilities: A collapse of world trade by massive cutbacks--or maintenance of the boom accompanied by South American rates of inflation.

Only Federal Chancellor Schmidt appears unruffled. Too much huffing and puffing, economist Schmidt believes, will merely make the somber forecasts self-fulfilling prophesies. Besides, says the Chancellor, an adverse current account is not altogether unwelcome as far as he is concerned: The worse it looks, the easier will it be for Bonn to ward off importunate financial requests from partner countries.

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CSO: 3103

BANNER ON TRADE DEFICIT, DANGER OF INFLATION

Hamburg DER SPIEGEL in German 10 Mar 80 pp 24-25

[Interview with Wilfried Guth, chairman of the board of Deutsche Bank]

[Text] [Question] Do you think that the D-mark may become a soft currency?

[Answer] I do not.

[Question] At any rate, the D-mark is no longer an upward moving currency; since the beginning of this year it has lost nearly 5 percent against the dollar.

[Answer] Actually we can take another step back and note that, in real terms, we saw a slight devaluation against the dollar even in 1979. Insofar the new trend is not completely surprising.

[Question] What is the reason for the shift from an upward to a downward revaluation of our currency?

[Answer] That is putting it rather too strong. It is very difficult to weigh the various causes of the mark's current trend to weakness. Let us remember that in November last, when the Iran crisis was at its peak, the Bundesbank expressed concern that the mark might, to an undue extent, become a reserve currency...

[Question] ...A dream which has now ended.

[Answer] I would prefer to say that our anxiety has momentarily been relieved. We note that there is an outflow from the D-mark, that the dollar has become far more attractive.

[Question] What is the reason for the dollar's sudden attraction?

[Answer] The reasons are both economic and political. It is certainly one factor that interest rates in America are now very much higher, and that the foreign exchange risks of the dollar are considered much lower than in recent years. However, political motives are also involved. Ever since

Afghanistan the geographical situation of the Federal Republic and Berlin's exposed location have loomed larger.

[Question] After all, political developments have no connection whatever with the DM9 billion current account deficit incurred by the Federal Republic last year and the DM20 billion deficit expected this year.

[Answer] That is not what I said. The development of the current account is a distinct phenomenon. It was caused mainly by the renewed and drastic jump in oil prices.

[Question] For a long time no reversal in the current account was considered possible. Now the Germans are contemplating a rather abrupt shift in the trend.

[Answer] I hope we are not confronted with a genuine shift in the trend. In my view we have prospects--and I dare not put it more strongly--in the coming years to reverse once again this strong, almost dramatic movement in direction of a current account deficit which happened in 1980 and is hardly likely to be changed in the course of this year.

[Question] What do you think will happen in future years?

[Answer] Our competitive capacity will be of the utmost importance for the balance of trade portion. That applies to exports but also--and just as crucially--to imports. Nobody can say that we have suddenly weakened in the matter of exports. The real reversal happened on the import side, though admittedly helped along by our strong economic growth.

[Question] As to oil prices, is it not an illusion to think that the Federal Republic could ever get away from a deficit--in view of the enormously inflated oil account?

[Answer] If oil prices were to continue climbing at the rate of last year --and I do not assume this because I have some confidence in the good sense of OPEC--, the balance of our current account would indeed be very difficult of achievement, in fact impossible.

[Question] Does not the oil price level now achieved suffice to make the Federal Republic a country with a permanent deficit?

[Answer] I do not regard the future with that much pessimism. If our competitive capacity is maintained--and that is the nub of the question--I do not believe that we will suffer a chronic deficit. True, we will have to be very careful. Our watchword must be: Vigilance, not panic.

[Question] Now you sound rather too optimistic. In January and February alone the current account showed a deficit of M8 billion, 8 percent of the West German foreign exchange reserves. We are bound to ask how long, with

this kind of outflow, the treasure of about DM100 billion will last, which the Bundesbank accumulated in the past 14 years of surplus?

[Answer] That computation is unduly simplistic, because there is also the balance of capital transactions. Still, it is true that we cannot afford to continue for many years the kind of deficit likely in 1980...

[Question] ...only we are unable to see how it is to be prevented.

[Answer] Initially we must be very careful not to allow ourselves to become so fearful of deficits that we do things which are inappropriate to our situation. I would consider it quite dangerous for us to contemplate steps such as were taken by some other countries in deficit, steps which would effect changes in the freedom of our trade and capital movement..

[Question] You do not recommend, then, that the Germans should suffer restrictions on the foreign exchange they take on a vaction to Italy?

[Answer] Certainly not. The taste for foreign travel, a sign of our prosperity, must be acknowledged and accepted. I believe that our economy will be strong enough to compensate this minus. I cannot imagine that the Federal Republic will be subject to chronic deficits provided we maintain our policy of consistent stability and our talent for exports. However, we will have to keep our technological lead.

[Question] Is it your view that everything will return to the former status quo regardless?

[Answer] By no means! What we must have is a strategy aiming at consistent stability and the maintenance of our competitive capacity, coupled of course with energy conservation and greater emphasis on the development of our own energy resources.

[Question] In the final analysis "maintenance of competitive capacity" translates into smaller wage increases, less government expenditure. In other words, we should now take to heart the advice formerly given by Bonn to other deficit countries--that they should moderate their expectations?

[Answer] Indeed, but we may assume that the Bundesbank and the Federal Government will follow this line on their own accord. Personally I would prefer budgetary policy to be somewhat tighter yet.

[Question] Do you mean to say that the government still borrows too much?

[Answer] Quite. In view of the new difficulties approaching us, the change in the international situation and the planned tax cuts, I feel that our budgetary policy is not adequately geared to a reduction of the deficit.

[Question] Do you fear serious inflationary dangers approaching the Germans?

[Answer] I do believe that inflation is currently a greater danger than at any time in the past 5 years. It will need serious efforts to make sure that no inflationary mentality is allowed to arise again in the Federal Republic of Germany.

SMALL PARTIES RETAIN VALUE AS GRIEVANCE VENTS

Stockholm SVENSKA DAGBLADET in Swedish 16 Feb 80 p 7

[Article by Jan-Anders Ekstrom]

[Text] During the last few years, the political development in Finland has largely involved a steady growth on the part of the big parties at the expense of the smaller parties. According to the latest opinion poll, the four parties already have the support of as much as 82.3 percent of the electorate.

At the same time, a couple of the newer parties of discontented voters, however, continue persistently to hold their own in the severe political competition.

It is true that the Rural Party and the Christian League can primarily thank the absence of an election threshold in the Finnish electoral system for their positions today. But, to all appearances, these parties also serve a purpose by channeling the discontent which seems to find a fertile soil in the Finnish society, marked by considerable unemployment and rapid changes.

When talking about the party of discontented voters in Finland, one usually has in mind the Rural Party, the creation of the colorful customs official Veikko Vennamo. In the late fifties, Veikko Vennamo got into conflict with his old party, the Agrarian League, which he even represented in the government. His new party had its great break-through with its appeal to "the forgotten people" in the election to the Riksdag in 1970, when its advance resulted in 18 Riksdag seats and 10.5 percent of the vote. It was a landslide, which even knocked out the data processing equipment of the counters of votes--it had not been programmed to take into consideration such drastic advances as the advance from 1 to 18 seats.

Quick Departure

Since then, things have gone both downhill and uphill for Vennamo's Rural Party. Already in 1972, as many as 13 of the hitherto 18 members of the

Riksdag faction of the Rural Party got tired of Veikko Venamo's dominance and policy, and they left the party. They formed their own party--the Unity Party--which, however, subsequently, quickly departed from the political arena for lack of strong leaders.

In the Riksdag election in 1975, Veikko Venamo got only two Riksdag seats and 4.2 percent of the vote. Already at that time, people started talking in general about the imminent demise of the Venamo movement. It turned out, however, that this was a rash conclusion. Venamo did well in the presidential election in 1978 (4.7 percent of the vote), and in the Riksdag election in 1979 his party once more had some kind of a come-back, with 4.6 percent of the vote and 7 Riksdag seats.

Riksdag Disorder

The Venamo supporters' entry on the political arena in the early seventies caused serious disorder in the work of the Riksdag. Throughout the seventies, the members of the Rural Party have been talking more than all the others together during the plenary sessions of the Riksdag. Amendments were proposed in a never ending current, and the attacks on the old parties often were extremely vehement, which led, among other things, to penalty measures of different kinds. Once Veikko Venamo himself had to be carried out of the plenary sessions hall. The party has also kept bombarding the police and the highest judicial authorities with letters and demands of prosecution. It goes without saying that cooperation with other parties has not been conceivable on account of this manner of working.

Last summer, Veikko Venamo, today 67 years old, left the chairmanship of the party to his son Pekka, who, in cautious terms, made it known that the party will be following a more restrained and cooperative line. Pekka does not have his father's colorful appearance but, nevertheless, is a shrewd speaker.

Restrained

In practice, however, little has been seen of this new line. The most striking aspect is probably that they have been soft-pedalling on their criticism of President Kekkonen and his foreign policy. The Rural Party supports the official foreign policy line. But in the Riksdag, the members of the Rural Party have, otherwise, more or less continued the same, to the other parties extremely tiresome, frenzy as before, and it is still primarily Pappa Veikko who is playing the principal role.

The Christian League is also some kind of a protest party, which quietly but steadily has been making progress in the seventies, from 1 Riksdag seat to 10 seats today. Its advance must be viewed as a protest against the fact that religious values are increasingly being set aside in the policies of the old parties. Especially the Center Party has been regarding the Christian League as a threat, and this has had clear consequences in the form of an increasingly more conservative view on issues, such as abortion, alcohol, etc., even within the other old parties.

New Groups

The Christian League, however, has, to a smaller extent than, for example, the Rural Party, been taking votes away from the old parties. For the Christian League has been activating religious groups which previously did not participate at all in the political life.

The presidential election in 1978 also contributed a great deal to the pace-setting of the Christian League. The chairman of the party, Raino Westerholm, became a clear second in the election with his 8.8 percent of the vote. In the Riksdag election nearly 12 months ago, the party got 4.8 percent of the vote. In practical politics, members of the Christian League have, off and on, succumbed to voting rather a great deal with the Rural Party in the Riksdag, but, on the whole, they have endeavored to appear as a "serious" party. The old parties, however, so far, have remained very reserved. Not only in left-wing quarters but also in liberal non-Socialist quarters, there has been resentment of the strongly conservative positions taken by the Christian League on moral-ethical issues.

7767
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PROPOSED WESTERN POLICY IN RESPONSE TO SOVIET AGGRESSION

Paris LE MONDE in French 24-25 Feb 80 pp 1-2

[Article by Herve de Charette, assistant secretary general of the Republican Party: "Organizing the Response"]

[Text] The world is changing before our eyes. It is inexorably moving toward chaos. Who knows whether this chaos can be averted?

I see at least three signs of this change. The first is the energy crisis which has plunged the international economy into disarray and placed the West in a position of strategic vulnerability.

The second sign is the awakening of peoples, particularly the Islamic world. The Third World is exploding under the white man's feet, igniting fires of revolution that are not always, far from it, sparked by the Soviet Union. The world has become a volcano whose eruptions are unpredictable.

Lastly, the steadily weakening international posture of the United States has been a basic fact of life for the past 5 years. This decline is marked by the loss of military superiority over the USSR, the defeat in Vietnam, an exemplary defeat because it was inflicted by a communist revolution in the Third World which the Americans have adopted ever since then. Unquestionably there has been a certain incipient redressal over the past few months, but it will take several years for American power to regain its former luster and influence.

Thus today the world is more unstable than ever and the United States is in a relatively weak position.

Faced with this situation, the USSR has obviously adopted an offensive strategy. The invasion of Afghanistan is the most conspicuous example of this, but there have been a series of other signs for the past several years. For instance, the Soviet Union has laid hands on Ethiopia, South Yemen, Angola, and Mozambique, not to mention its support of Vietnam's invasion of Cambodia.

What is most striking today is the incredibly brutal character of the Soviet intervention in Kabul, and this has occurred for the first time since 1945, outside the sphere of influence granted the USSR at Yalta. Equally striking, however, is the concomitance of several actions, namely, the Afghan crisis, the measures taken against Sakharov, and Georges Marchais' unqualified endorsement of the Soviet operation.

I personally am inclined to believe these actions are interrelated.

The USSR is a colossus with feet of clay. Its power has never stopped growing the past 10 years by capitalizing, more often than not, on the mistakes and shortcomings of the United States. Yet the USSR too has its own demons. I see at least three of them.

Its domestic political system, like all dictatorships, runs the long-term risk of a popular explosion. Why would it be the only one to escape the tidal wave covering the world and awakening peoples? Soviet leaders are, therefore, constantly exerting themselves to control rising domestic perils. The Sakharov case is a sharper and more brutal episode than the others, because of the Soviet scientist's personal stature.

East European nations completely under the USSR's thumb are even more shaky. In the long run, Eurocommunism may dangerously attract some of these nations. Georges Marchais very recently administered it a mortal blow.

Lastly, and above all, the USSR has many reasons to worry about what is happening in Asia and the Middle East. China, now linked to Japan and seeking support from the United States, seriously worries the USSR. The setbacks suffered by its Vietnamese ally cannot reassure it. In addition, Islam's resurgence threatens domestic order within its Moslem provinces.

Consequently the USSR seized the occasion it believed propitious to eliminate a weak point in its security system, while counting on Western passivity.

But the consequences thereof may be considerable. To date, there has been a relatively flexible four-party game being played in Asia between China, India, the USSR, and United States. The present danger is that two opposing alliances may emerge with the USSR and India on one side, and China and the United States on the other. Such a situation a few kilometers from the Middle Eastern oil fields, in the very heart of a turbulent, seething Islam, may spark a serious incident that could result in war.

Hence the Afghan crisis is not a local problem, as the USSR would have us believe. Nor is it even a regional problem. Indeed it threatens the balance in Asia and peace throughout the world.

I have interrelated three actions. Individually these actions do not have the same importance, but taken together, they are indicative of how much Soviet leaders are determined to keep a firm hand on their internal affairs, to close ranks in their camps, and to move forward in the world.

The time has come--at last--to respond.

Keys to the Response

Neither a boycott of the Moscow Olympic Games nor food and economic sanctions advocated by the United States can provide an appropriate response. A comprehensive, concerted policy is required. It must be implemented on several levels and by those nations which, in each case, are in the best position to take such action.

First of all, the fait accompli in Kabul must be rejected. The Soviet tanks that have invaded Afghanistan must be withdrawn. This will not be an easy matter, and until this requirement is satisfied, a way out acceptable to the Soviets will have to be provided. The unyielding, diehard attitude of the United States would, if continued, be provocative and prolong the crisis. The day will probably come when the various parties can sit around a table and discuss this matter. For the moment, however, it is in the interest of peace to have the Afghan rebellion survive and to have it receive the support needed to do so. The stand taken a few days ago by Iran and Egypt is a good omen.

For the Asian continent as a whole, I see two urgent requirements. First, the West's allies must be reassured, particularly Pakistan and Thailand. To be absolutely avoided, however, is the formation of a Sino-American "Holy Alliance" that would surely drive India into the arms of the Soviet Union. In this respect, President Giscard d'Estaing's visit to Indira Gandhi gave us a masterful lesson in international politics, a lesson worth meditating. The failure of Gromyko's trip to New Delhi clearly showed what results could be expected from this strategy.

As for the nonaligned countries, they are where, in my opinion, the outcome of the Soviet Union's poker game is being determined. For probably the first time in 30 years, the USSR is being publicly viewed as the oppressor of a Third World country. Now is the time to do everything possible to turn the theory of nonalignment against the USSR, a theory it has so often and so effectively used at the West's expense. Isn't that what the President of the Republic is doing by advocating a return to "authentic" alignment?

Lastly, in Europe, we must counter the hardened Soviet stance. Doubtlessly, the best way is to encourage East European regimes to maintain the dialog with their West European political and trade partners. Likewise, I am not sure we must, a priori, refuse to dialog with the USSR on the issue of reinforcing NATO's nuclear capability in the European theater. In Europe, we must discuss without weakening, but we must not interrupt the dialog. This principle is also applicable to the coming Madrid conference. In all, of this, the main point is not to increase international tension or to renounce detente. Nor should the USSR be cornered into having to choose between retreat and war. The problem is one of solving a grave crisis and saving world peace, without contesting the USSR's earnest desire for security.

That leaves the thorniest question of all: How should this policy be implemented?

Many persons in Europe, and particularly in France, believe the West ought to rally around the United States. They even speak of "moral support," although that is the wrong term inasmuch as the United States is being no more directly attacked in the Afghan operation than we are. I do not believe France ought to act exactly in this way because it is not in the interest of peace.

Naturally, we are allies of the United States, and in the event of a major conflict, our fate would be closely tied with its fate. At the present time, however, we are not in a war, but in a crisis. And to overcome this crisis, I shall readily define the three keys to the response to Soviet aggressiveness.

The first key is held by the United States. The time has come for American power to reassess itself and regain its influence in the world. This is what President Carter seems to want to do. In the face of the Soviet Union, the peace and freedom of the world requires the United States to have a global policy worthy of the name.

As I see it, the second key is in the hands of France and the Federal Republic of Germany. Our two countries, when they act in concert, constitute a new center of power that tomorrow will undoubtedly be the third ranking one in the world. Maintaining the dialog in Europe depends on these two countries, particularly the dialog with countries of Eastern Europe. On France and Germany also depends the possibility for part of the Third World to escape the East-West confrontation. Lastly, needless to say, France alone is containing the Soviet thrust in Africa.

Lastly, the third key to peace is in the hands of the most influential nations of the non-aligned world. In Asia and Africa, it is urgent that the desire for independence and neutrality successfully assert itself.

Basically, what I reject is subjecting the world to a confrontation between the West and the Soviet bloc. What I propose is that those nations that are still free and want to remain free, act to save the peace through different channels commensurate with their capabilities and resources, and refuse to aline themselves with anyone. This is what France is doing under the clear-sighted leadership of the President of the Republic, and also what France and Germany are starting to do together.

For the past 6 years, President Giscard d'Estaing has had to cope with considerable domestic economic and political difficulties. He has been confronted with a international situation replete with great dangers. In both instance, he has demonstrated his clear-headedness and cool-headedness. This is why he is one of those very few chiefs of state to whom apprehensive peoples turn.

8041
CSO: 3100

INSIGHT INTO COLLAPSE OF CGT, CFDT COOPERATION EFFORTS

Paris PROJET in French Jan 80 pp 100-104

Article by Francoise Terrel: "Autumn in the Trades Unions: How Does Unity of Action Stand?"

Text At its last congress (Grenoble, 26 November to 1 December 1978), the CGT had shown an inclination toward broadmindedness: trades union autonomy with respect to parties was hoped for, without, however, any measures being taken to bring this about (especially rejection of plurality in trades union and political mandates); headway was being made in considering the new problems confronting the working class (living and working conditions), and on the strategy to be applied; G. Seguy was proposing the creation of a national committee for unity of action, but without really analyzing the obstacles in the way of such unity, and still finding the CFDT French Democratic Confederation of Labor's attitude "disquieting."

In addition, at the Brest congress (8 to 10 May 1979), the CFDT stressed the need to fight for specific priority demands (SMIC Interoccupational Minimum Growth Wage and substandard wages, reduction of working hours) and coordinating the various actions: while launching an appeal for unity of action, it recalled its refusal to yield to the attraction of big demonstrations without results.

Since March 1978, despite joint grassroots actions, relations between the two centrals have been more than strained. The recentering of the CFDT, sometimes grudgingly accepted by certain militant CFDT members even, is the CGT's target: accusations of reformism, veering to the right, and so on. Despite the verbal skirmishing, unity of action has never at any time been formally broken off. But for each of the two main centrals, it has a different meaning at the trades union and political levels.

Two Concepts of Unity

The hopes raised by the CGT congress were soon dashed: the proposal for a national committee for unity of action, often called a public relations ploy

at the time, has not been implemented. The CGT organized the big metal-workers' march on Paris on 23 March by itself. In response to what it called the CFDT's "opposition to progress," G. Seguy's central pursued wide-range, "catch-all" actions on numerous general protests. After the summer, marked by CGT opposition to the sailing of the "France" at Le Havre, the CGT picked up the action on its own by a week of protests from 3 to 8 September, of which the relative unsuccess was proof of its ineffectiveness. According to G. Seguy, the CGT's lone involvement "is not in the least in contradiction with (its) unfailing commitment to unity of action," and he goes on to say: "Moreover, we reject from the start the idea that unity of action for joint demand objectives -- and there are plenty of them -- should be subordinated to the elimination of dissensions existing between the CGT and the CFDT about a certain number of problems of trades union orientation and strategy."

For the CGT, there is a prerequisite to any agreement tending to unity of action: rejection of the "social consensus" that it suspects the CFDT of accepting for some time. Suspicion with little foundation: the CFDT, quite the contrary, stresses the difference between its own solutions to the crisis and those of the employers. In LE MONDE in August, E. Maire writes the self-critique of trades unionism, which is not having much success in expressing the demands and hopes of certain groups of wage earners; he points out the conservative attitude of leftist forces. Reviewing the Brest congress decisions, he calls upon trades unionism to go beyond mere politics, to seek greater representativity, and to develop a new capability for formulating proposals. To arrive at unity of popular forces, internal dissensions must be overcome, and "the inevitable rivalry existing between the CFDT and the CGT must be positively orientated."

On these bases, the CFDT is ready for an agreement to relaunch unity of action, provided that it bear upon the priority goals of reduction of working hours to about 35, and the raising of the SMIC and substandard wages. It stresses that such unity will be more positive yet if the political parties stop limiting trades union activity and representativity.

Agreement of 17 September

Marking the social autumn return by starting joint action again: with this goal in mind, the CGT and the CFDT meet on 14 September; the meeting is broken off by the CGT which wants to call a meeting of its executive board. On 17 September, a difficult resumption of the negotiations, which finally result in agreement on three precise objectives:

The augmentation of substandard wages and the SMIC, to be brought up to 2,700 francs as quickly as possible

Reduction of working hours to around 35, to create jobs and a better standard of living, within the framework of the fight for the protection of employment and improvement in working conditions

The right of workers to express themselves and the right of trades unions to inform, to move toward winning new freedoms and rights in enterprises.

To achieve results in these three objectives, an initial period of action, with work stoppages, will make it possible to specify and adapt demands, intervene in the various negotiation areas, and define appropriate modalities of action. In a second phase, and depending on employer and government obstruction, action will be strengthened by regional interprofessional demonstrations.

Finally, the agreement stresses that the two centrals will make an assessment at the end of October, and that they are ready to implement a very far-reaching national interprofessional action, if the conditions justifying worker mobilization occur.

A compromise, hard to reach but a real one, has thus been possible, and it restores worker confidence. The CFDT adds to its two priority objectives a third one, on which it will also bring the struggle to bear, and in particular, it accepts the principle of a big national action (though conditionally). The CGT is giving up overall action to define joint priority objectives (while stressing that nothing will stop its acting alone on other objectives).

According to the calendar planned on 17 September, various actions are started in the field in October. Implementing this agreement means "not being satisfied with repeating, but enriching the the three immediate confederal objectives."³ Mobilization is greater on 10 October, the day of the meeting between the trades union organizations and the CNPF [National Council of French Employers] on the reduction of working hours: but work stoppages and debate meetings with workers generally spread over two weeks. The long conflict at Alsthom Atlantique and to a lesser extent the one at Thomson-CSF [General Radio Company] illustrate the renewed combativity of the workers and the restored confidence in joint trades union action.

In some branches, acting on the agreement is easy: postal and telecommunications, chemicals, health, construction, textiles.... Elsewhere, difficulties crop up at the grassroots level (local collectives, metallurgy) before action can be started. In still other places, agreement is impossible, as at the [Ministry of] National Defense. At EGF [French Electric and Gas Company], strike movements are set off in turn by the CGT and then the CFDT, because of differences in interpretation of the interconfederal agreement: the CGT only wants to act on the wages issue while denouncing the government's policy; the CFDT, for its part, is determined to tackle the problem of restoring order in EGF salaries. Moreover, positions differ on the problem of cracks in the nuclear power stations at Gravelines and Tricastin. Lastly, the CGT favors one action for the whole of the nationalized sector. This example illustrates the CFDT intention of "not bypassing anything," while it is difficult for the CGT to rally to objectives that are more modest than its own.

At the regional level, "backfiring" is fairly frequent: no agreement among the departmental unions of Moselle, Meuse, Val de Marne, and Sarthe, among others, nor in Auvergne and Haute Normandie either. On the other hand, in Aquitaine, the action days organized at the time of V. Giscard d'Estaing's trip (4,5, & October) meet with real success. In Picardy and Brittany, as well.

On 6 November, G. Seguy and E. Maire meet again, as planned. The outcome of the application of the interconfederal accord is "fairly positive," but in fact falls somewhat short of expectations. On both sides, no secret is made of the fact that there were "some good results, and some less good ones." But the will to fight and to continue the action remains: CGT and CFDT therefore take two measures:

Work stoppages in all branches on 14 November, with delegations being sent at the same time to the employers, on the eve of the last (in theory) meeting for negotiations on the reduction of working hours;

From 26 to 30 November, all workers in the private, public, and nationalized sectors are asked to act at regional and professional levels within the framework of the European Trades Union Confederation (ETUC)'s week of protest.

But at the 6 November meeting, no appeal is made -- as provided in the agreement -- for a large scale day of national action: even though some progress has been made in the mobilization of workers, it is not sufficient to envisage such an action, and on this point, the rue Cadet central succeeded in imposing its views on the CGT.

In fact, the 14 November day of action is a failure: work stoppages are relatively large in metallurgy and chemicals, but no great movement takes place. After the demonstrations in the provincial towns, the CGT declares that the action would have been more successful "if instructions had been better handled by the CFDT organizations." It also announces that it is going to propose a plan for five participants (CGT, CFDT, FO [Workers Force], FEN [National Education Federation], CGC [General Confederation of Managerial Personnel]) to prepare a week of "coherent, united" action. Will it actually do it? It would be proof of productive openmindedness at this time.

Party-Free Unity of Action

The difficulties experienced in grassroots unity of action are minimal compared to the dissensions marking summit relations between the CGT and the CFDT this fall. The tension, relayed daily by the mass media, can be explained by Communist Party meddling in trades union matters and action within the CGT. On 14 September, before the interconfederal agreement, L'HUMANITE was headlining "the CFDT leaders' unfair criticism" of the PCF: it was said to be "intended as justification for the do-nothing attitude of the CFDT leaders, who showed no hesitation in calling the struggles 'flash in the pan' and 'publicity stunts' and multiplied the prerequisites for

involving themselves in the struggle."

At the beginning of October, the polemic starts again over a conference on data processing, at which E. Maire's remarks are noted and quoted by the president of the Republic. G. Marchais reacts: "If the leaders of the right are winking at him in this way, is it not because E. Maire is leading them on? These proposals (at the data processing conference) are very limited, far short of what is needed and even what was included in the joint program. Besides, does not E. Maire himself say that the country's leaders are relying on the CFDT's attempts to clear up the crisis? What does this mean, except the famous "recentering," denied in words but accomplished in fact, of which the data processing incident is the latest expression."⁵ Many examples of such quotations could be given.

While E. Maire accuses the PCF of anti-trades unionism, G. Seguy, as a member of the PCF Political Bureau, attacks the CFDT: on 22 October, the party's National Council meeting is devoted to its presence in enterprises: the PCF, aggressive, presents itself as the sole defender of the workers whose demands it collectively represents. Militants are called upon to mobilize for the conciliation board elections on 12 December to help the CGT win. That causes the CFDT to state that the PCF "intends to intervene like a sixth trades union, but without taking responsibility for it."⁶

The conciliation boards election is the next thing at stake, and its importance escapes nobody. So the PCF's intervention is a matter of concern to CFDT officials. Moreover, in certain enterprises, the PCF cells are more numerous than the CGT sections, in which the drop in membership is sorely felt: how can trades union action and that of the party be reconciled? According to CGT members who are also PCF members, that is no problem: the grassroots militants "need only follow the example of the behavior of the confederal secretaries, who never confuse their trades union and political responsibilities."⁷ Easy to say. R. Buhl admits that sometimes the CGT has to take care to retain its autonomy: but, "If the trades union does its job well, if it is well established, that does not happen. And the exceptions only occur here and there"⁸!

In the PCF as in the CFDT, the opponent is accused of slowing down, checking united action. At the "Press Club" on 11 November, G. Seguy states that "the politicization" of the CFDT "runs counter to independent, autonomous unity of action, as we have always conceived of it." Is not the secretary general of the CGT confusing his political and trades union responsibilities?

In addition, and conversely, the CFDT is accused of apoliticism by the Socialist Party. At the beginning of September 1979, Didier Motchane (CERES) [Center for [Socialist] Studies, Research, and Education] denounces the criticism of partisan action made by E. Maire⁹; he denies the possibility that trades union action can create worker unity and denounces the social democratic leanings of the CFDT. The latter therefore finds itself in a difficult situation for getting its plan for society through. Recent

dissensions with the FEN, supported by the PS [Socialist Party], over the latter's corporatist action when faced with the expectations of students' parents, have further envenomed relations.

In a letter on 16 October, the CFDT proposed to the FO a meeting with a view to extending unity of action. On 12 November, it signs its first agreement with the CGC on the reduction of working hours. All opportunities for the PCF and the CGT to start a new diatribe over the attractiveness of the social consensus.

Observers end up being amused over it. But it is enough to discourage the militants! So long as the connection between political and trade union matters continues, and so long as the CGT does not have enough autonomy, it is to be feared that unity of action, though desired at the grassroots level, will continue to be embittered by this partisan fighting at the top, and that the hope aroused by the 17 September agreement will again give place to the relative coldness of 1978.

20 November 1979

FOOTNOTES

1. Cf. P. Rosanvallon, "Trades Unionism at the Turning Point," PROJET, No 129, Nov 1978.
2. Speech on 5 September 1979, Place de la bastille, cf. LE PEUPLE, 1-15 September 1979.
3. E. Maire, SYNDICALISME HEBDO, 27 September 1979.
4. Well before the 6 November meeting, the CFDT had decided to take part in the ETUC week of action. Also in this connection, the FO calls for work stoppages, but only of one hour's duration. The CGT's decision to associate itself with this action demonstrates its desire, so far vain, to join with the ETUC.
5. L'HUMANITE, 2 October 1979.
6. SYNDICALISME HEBDO, 25 October 1979.
7. Quoted by J. Roy, LE MONDE, 7 November 1979.
8. Idem.
9. TEMOIGNAGE CHRETIEN, No 1834, 3-10 September 1979.

12149
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SUBSTANCE OF RPR LEADER CHIRAC'S PRESS CONFERENCE

Paris LE MONDE in French 14 Feb 80 pp 8, 9

{Article: "Mr Jacques Chirac's Press Conference: Criticize But not Oppose"--passages between slantlines in italics}

[Text] Detente must not mean disarmament, quite the contrary. This precept of international policy pronounced by Mr Jacques Chirac in his press conference of Tuesday 12 February, could be applied to himself as well, to explain the new style he has adopted in his relations with the leadership in power and, first of all, with the chief of state.

Mr Chirac's statements, fourteen months after the "appeal of Cochin" of 6 December 1978 and fifteen months before the presidential election, doubtless mark a turning point. By accepting the context of detente, by refraining from any verbal aggression, by expressing himself without raising his voice, the RPR chief wanted to show that he was not "disturbed" as Mr Giscard d'Estaing had contended on 18 April 1979, and that he was capable of bridling his passion. He wanted to prove, too, that free of his former advisers he could express himself without fuss and jerkiness.

Having prepared his presentation carefully, mastering his thought and its expression, he was able to cope with tricky questions without difficulty. He therefore deliberately abandoned any overall challenge of government action and he applauded several initiatives it had taken: the refusal to participate in the Euro-American conference in Bonn, construction of a Franco-German tank, condemnation of the Soviet intervention in Kabul, however tardily.

The reservations Mr Chirac expressed did not challenge the essentials: he faulted the Elysee's diplomacy only for lack of adroitness; the deterrent force lacks enough airplanes; ultimately we must speak of submarines, and the intervention force needs more airplanes; ultimately the North-South dialog, the creature of Mr Giscard d'Estaing, is characterized as "nonsense." These reproaches are fairly small, and "one could certainly mention others."

If in the economic and social field Mr Chirac was more free in his criticism, he has done this since 1976 to his successor, without bringing the latter's policies any closer to convincing him of their correctness. In laying the blame on administrative infighting and abuses of over-regulation, Mr Chirac is certain to find popular approval quite effortlessly. The counter-proposals he presents imply increased authority, firmness, coherence, and also inspiration and spirit, which correspond to aspects of his personality which do not displease the public.

In sum, Mr Chirac wanted to distinguish himself without condemning, criticize but not oppose, counsel more than contest. Refusing categorically to discuss the presidential election of 1981, he declared himself completely loyal to "society's choice," expressed by the majority in 1974 and in 1978, and he totally dismissed the possibility of a new majority wherein the PS would find a place, and he was more opposed than ever to the PCF, which is "separatist," as de Gaulle said in 1947, and whose "vocation is the subjection of peoples."

Mr Chirac, who has been silent since the European elections of 10 June, must surely have pondered the deeper causes of his failure at that time; he was able to determine that internal problems and the international crisis initially favor the team in place; he constated that public opinion polls show him more highly favored as he becomes more moderate. He has perhaps finally had the time to take the measure of the time remaining. He thus decided to exercise his allurements on the entire majority electorate, free to disorient a little the activists of the Gaullist movement who are habituated to a more vigorous anti-Giscardianism. The RPR starting now will undertake a campaign of explanation and

persuasion on this subject. It is also true that, in placing himself--and this time unequivocally--in the majority, Mr Chirac is defeating the machinations directed against him by certain of his "companions" and especially by the RPR ministers. It is true, finally, that in order not to kill all hope, Mr Chirac recalled that alternation has already occurred in the majority--not to speak of the part he brought to it--and he did not try to hide [the fact] that if "the time of sowing" seemed to have come, that of "harvesting" should not be far behind.

ANRÉ PASSERON

/In his statement at the beginning of his press conference Tuesday, 12 February, Mr Chirac recalled first of all that "since a year ago events have hurled themselves forward" and continued:/

"Today the French, rudely woken up, have just discovered the risk of war.

"If the present disturbances had not already resulted in blood and tears, this so late and sudden discovery that war is possible would invite a smile.

"War has in fact never ceased since 1945: 150 conflicts have broken out in the world, causing 25 million deaths, and if some of them have not unleashed an irreparable confrontation on humanity, it is first of all and above all because the balance of forces, maintained after a fashion, constrained those wielding nuclear weapons to circumspection, precisely because of their formidable destructive potential.

"So it is wise to use the word /war/ with discernment and discretion. It is one of those words which carry in themselves an emotional power capable of leading to uncontrollable veerings of public opinion. This is why the French must be told the truth, one must appeal to their sense of responsibility because, in this international crisis, the French do not expect their leaders to soothe them or panic them but to respond appropriately to the gravity of the event and the legitimate worries they feel.

"In reality, the coup of Kabul put an end to a climate of torpor and illusion founded, in the west, on the false ideal that detente would be a decisive step toward universal peace. Now detente has never meant that the confrontation between the systems which divide up the world were over. Thus we rediscover this cardinal truth that with the Soviet Union everything must be weighed and treated in terms of the balance of forces.

"Detente was never, neither for General de Gaulle nor for Georges Pompidou, a policy of weakness or concession with regard to Moscow, but a courageous and far-seeing effort to transcend the dividing of the world into two blocs which require nations to aline themselves systematically with one or the other of the two great powers.

"Today, to renounce the policy of detente would be to accept the reversion of these nations, mostly in Europe, to a bipolar system which would deprive them of all hope of autonomous development.

"It has been healthy for detente that France was able to develop a policy free of all subjection to either of the empires which seek world domination.

"It is thanks to detente that France was able to help promote, in Europe and throughout the world, the emergence of nations, those irreducible elements and boundaries indispensable to international life.

"Circumstances may change around us, but the policy of France must be constant. Nothing should be more unvarying than our policy: it should essentially be sensitive to the necessity that France be and remain a free and independent nation.

"If for France, therefore, detente remains the fundamental objective, this does not justify an attitude of weakness, /a fortiori/ of abdication, in face of the hegemonic designs pursued in the world with the vulgar cynicism of brute force. It demands on the contrary an attitude of firmness. In this respect, the Soviet aggression against Afghanistan, even if it does no more than complete the seizure previously made of this country by Moscow, is inadmissible and should be condemned.

"In the face of such an aggression, what should be the response? It serves no purpose to pile up a series of impotent measures. In addition to giving a clear conscience to those short-sighted ones who allowed themselves to be installed in the region, and moreover, leading to a situation sufficiently uncertain to create the occasion which will make the thief, such measures seem to me to respond more to worries about internal politics than to the need for sound and effective reaction.

"If we want to keep detente, we must re-establish the balance which has been disturbed and take with regard to Soviet expansionism in the world a resolutely deterrent posture. Of course, I do not believe that Russia or the United States want war, but France must take cognizance of its security needs. Only a national determination affirmed unambiguously and relying both on the restoration of our economic power and on the effective and immediate strengthening of our forces of deterrence and intervention constitutes, as far as France is concerned, an appropriate response to the present tension.

In view of the mounting dangers, it goes without saying that we are one with our allies in the Western world who have the same concerns as ourselves. But, as General de Gaulle said, /"independence means that we decide for ourselves what we have to do and with whom, without that decision being imposed by any other state or group of states."/

It is not only concern to preserve France's freedom of action in the world which leads me to claim for my country the pursuit of a truly independent policy. In demanding this for France, I know that I speak for her true calling. France is not, in reality, is not free in a selfish way: if she wants to render service to the cause of liberty when danger threatens; if she wants to be a support and a beacon of hope for those fighting for their freedom and in search of their identity; if she wants to hold high the banner of man and his dignity; it is obvious that France must remain herself, mistress of her destiny of serving the cause of peace in the world.

Improve the Deterrent Force

/France, according to Mr Chirac, should not participate in the Madrid conference bringing experts together in the framework of the Helsinki talks./

"As far as defense policy goes, France in reality has only three possible choices:

"--The first would consist of re-entering NATO;

"--The second to join in a common European defense;

"--The third, finally, to maintain and improve its independent defense.

"I think that only the third way is realistically open to us. The return to NATO would be completely at odds with our interests, first of all because of the political constraints that NATO places on its members by definition. Next, because, for my part, I think that now that the Soviets can reach American territory with their missiles, we no longer have any practical strategic recourse to the "United States and, as a consequence, the American umbrella, as it is called, is in reality extremely fragile for Europe and, finally, because NATO is a completely outdated organization, aged, which it is hard to imagine capable of the reactions required in an urgent crisis.

"I will hardly speak of the second way described by so-and-so recently, because, frankly, I think it has no importance, since, to create a European defense, one would first of all have to have several participants, and I have not heard tell that either the British or the Germans were interested.

"And on the other hand, to participate in building a Franco-German nuclear force would be, on its face, a "casus belli," for the Soviets, who simply would not let us do it.

"And, finally, a European defense for the Nine, founded on nuclear deterrence, since it has been brought up, would assume that the Nine agree to push on the same button with nine fingers, in one blow as one man, in the given conditions: all that is completely illusory and theoretical.

"There remains for France therefore only one way, which is its deterrent force. And its improvement now. For what reasons? Simply because France cannot ignore two facts:

"The first is that whether one wishes it or not, and without any reservations, without attributing to the Soviets ideas which I do not think they entertain, one cannot fail to observe that the Red Army is presently 400 km from the Straits of Hormuz, that is to say quite near with resources which would enable it, if it wanted to put them in operation, to strangle in some fashion western Europe and thus France.

"And on the other hand, one cannot ignore either the fact that since the decisions were taken by the Soviets to install their network of SS-20's, all French military targets, and European targets in general, can be destroyed utterly in a matter of seconds, thus paralyzing the western defense without creating holocaust conditions and moreover in an extraordinarily effective way. And this risk also, we cannot ignore.

"Starting from there, we should have a defense, and a defense which is, for the most part, composed of invulnerable and thus mobile resources. All of which means, decoded, that France's defense today rests essentially on its nuclear submarine force. And this is why I ask, for my part, that the necessary work be begun now to give this country, before the end of the century, 15 nuclear submarines, adapted of course to the new technologies which are known today.

"For the rest, the other means of defense France has should also be improved, especially its defense in the domain of intervention, its force of intervention--because France, being on the North-South axis, has responsibilities --should be imperatively and urgently provided the means of transport it presently lacks.

"This implies, on the financial plane, on the one hand an effort, but an effort completely plausible; and on the other hand choices which today can only be made in favor of the nuclear, which represents in our defense budget less than 15 percent, and thus to the detriment of our field forces. This calls for serious reflection on the need to maintain military service, or on the contrary, to adapt it. (...)

"We must compare the outlays for the launching of the program I have proposed against what seems to me less important, lower priority, that is to say primarily the funds devoted to our field forces; this strongly implies consideration of the importance of these forces and consequently of [compulsory] military service."

/Discussing the Euro-American meeting in Bonn, Mr Chirac said:/ "France is a part of the Western world, in its ideology, in its political system, in its economic and moral interests, in its alliances. But it acts freely. This is a principle to which all must accommodate themselves; it is

completely natural that France have contacts, have discussions with the United States, and this is completely desirable. It is equally desirable that there be consultations between the Europeans and the United States. But one must realize that in international affairs, and especially during periods of crisis or tension, the form counts for much. And in the case at hand, I believe that the government of France made a reasonable decision."

"When the president of the United States decides to increase significantly his defense forces and to augment the budget for defense, when he decides to install Euro-missiles, Pershings, in a certain number of European countries, when he contemplates giving defense items to various countries in Asia or the Middle East which have need of them, I can only approve. In turn, there are measures which, for my part, I regret; that dealing with the Olympic Games is one of them. The Olympic Games are a great moment which give to all the world once every four years a sort of shared dream, and it is rather a pity to jeopardize it for political reasons. This being so, it is obvious that if these Olympic Games were to bring together only a very reduced number of nations, then I find it hard to imagine France could go. I will be sorry.

Nuclear Electric Power and Oil

/He then said:/ "I am completely in favor of the significant development of nuclear power plants and thus support, in this field, the policy of the government (...).

"If the increases in the price of oil, done in a jerky fashion, have created undeniable traumas for the economies of the consuming countries, it is nevertheless somewhat incorrect to claim, as is done too often, that therein lies the responsibility for all our problems. We must try to find a solution which will allow payment for oil in currencies other than the dollar, and to prevent the dollar from playing the role of a giant Atlas ageing and trembling under the oil burden of the whole world; which means that it is necessary, by agreement with the producing countries, who I have no doubt will find it in their interest, to reach the solution which consists in paying, in all cases concerning us, for part of the oil in the currency of the purchasing countries... And perhaps also more generally to contemplate a currency basket in which gold would be placed and which would make possible a means for regulating oil (...)."

/He discussed an alliance for development/ "based on the present situation where there is unused productive capacity, an insolvency in consumption, and unutilized financing. (...).

"In this field as in others, it is now urgent to find a technical solution which cannot be done in the framework of nonsense such as the North-South dialog or /a fortiori/ trialog, which serves no purpose (...).

Surpass Germany

/Then Mr Chirac discussed the internal economic situation:/ "I have much to say: oh yes, of course France is doing as well as it can and everything is going fine. I do not think this is precisely the case, and do not think it is appropriate to encourage the French to entertain this delusion, because delusion in this field is always dangerous, especially in difficult periods.

"I see that in regard to inflation, France had a rate of 11.8 percent, Germany of 4.7 percent, in 1979, and that, in the same period, if France saw the number of its unemployed grow by 130,000, Germany saw its jobless figures go down by 150,000.

"France experienced a net decline of 1.3 percent in the volume of its fixed investments in 1977, an increase of 0.7 percent in 1978, and an increase of 1.7 percent in 1979, while Germany had an increase of 4 percent in 1977, of 6.3 percent in 1978, and of 7.3 percent in 1979!

"I say first of all that this situation cannot endure because France will disappear. It is obvious that if we let Germany invest five or six times as much as ourselves, we cannot remain competitive in the long run.

"From 1960 to 1974, France experienced each year a growth of its gross domestic product, and moreover a growth of its industrial production, between 1 and 1.5 percent higher than Germany's and most of the rest of our European partners' as well...In the period 1970-1974, inflation in France was at exactly the same level as Germany's, altogether about 23.2 percent. Now, alas, since 1974-1975 the reverse has occurred, namely that we find ourselves with 1 or 1.5 percent less gross domestic product or industrial production [growth] than Germany--and this is very dramatic.

"In this situation, and without being polemical in any way, it is obvious that something is wrong and that, as a result, a new economic policy is needed. We should set ourselves a goal, to have once again as in the past, growth higher by 1 to 1.5 percent than the average growth of the countries in the European Economic Community."

/He discussed the "disquieting" rate of increase of the state's operating expenses, and of intervention.

/He cited the case of the speed limits on the highways, which required the mobilization of several tens of thousands of police and CRS [State Mobile Police] "which is absurd," just like the requirement to "drive by the book" in the towns.

/Mr Chirac contended that the common agricultural policy "is in serious trouble" because it is based on two principles which are violated, that of the single price, violated by the increases in compensation, and that of community preference, violated by exceptions.

/Finally, he indicated that:/ "gold should be re-established in its three essential functions:

"--On the one hand, as a reserve asset;

"--On the other hand as an element in the definition of a reserve currency;

"--And also as a guarantor of the standard of an exchange currency."

/Discussing political problems, Mr Chirac said he would not respond to any questions relating to the presidential election, explaining: "This election coming to pass in fifteen months is something I have decided to speak about when I judge it opportune."

/He also added:/ "My words today are not at all polemical with regard to the government or the president of the republic.

"I think that in the present circumstances, what seems to me of greatest importance is to have very firm determination, clearly expressed starting from some goals, and a determination well directed to attain them. (...) In 1978, as before in 1974, France made a social choice. Starting with that, in a democracy, it is completely natural that anyone can bring to the current administration the criticisms or the reservations which he believes he should make. This is the very meaning of democracy. As long as we are in a democratic country, we should take advantage of this. I hope we remain in one as long as possible. Which implies, moreover, that one does not threaten this social choice, and that one does not allow those whose vocation is the subjection of peoples to come do it here in France.

"This is why I said clearly that, for my part, I will not take responsibility for opening up a political crisis which would add to France's economic or international difficulties. I have never believed in the possibility of a new majority, at least as long as people stay the same.

"Regarding the trip by Mr Georges Marchais to Moscow, I have little to say, as, for my part, his position did not surprise me in the least.

"You know that I espoused for years, especially during the electoral campaign of 1978, the idea that Mr Mitterrand was profoundly mistaken in thinking that the communists had evolved. I think they continue to be themselves.

"From time to time they adorn themselves with a more pleasing charm or position, from time to time they show their true colors again, but, at bottom, they do not change."

/And Mr Chirac concluded by citing two verses from "Ecclesiastes," Chapter 3:/ "There is a time for keeping silent, a time for talking, a time for sowing, a time for harvesting."

Editor's Note--[begin boldface] the following is the exact quotation from "Ecclesiastes" (chapter 3, verses 1 to 8):

{continue boldface} "There is a time for everything; there is a time under the sun for every thing. There is a time to be born and a time to die; a time for planting and a time to pull out what has been planted; a time for killing and a time for healing; a time for tearing down and a time for building; a time to cry and a time to laugh; a time to lament and a time to jump for joy. There is a time to cast stones away and a time to bring them together again; a time to embrace, and a time to tear oneself away from embraces; a time to strive and a time to let go; a time to save and a time to squander; a time to tear apart and a time to sew together; a time for keeping silent and a time for talking; a time to love and a time to hate; a time for war and a time for peace." [end boldface]

9516
CSO: 3100

COMMENTS ON CHIRAC'S DEFENSE POLICY IDEAS

Paris LE MONDE in French 14 Feb 82 p 8

[Article by Jacques Isnard: "The Submarine Is Not a Panacea"--passages between slantlines in italics]

[Text] In pronouncing himself in favor of a defense distinct both from NATO's integrated defenses and from a common European defense, Mr Chirac has called for an /"effective and immediate"/ strengthening of the forces of deterrence and intervention, if necessary by means of a new budgetary strain, which assumes a reduction of traditional field forces and a rethinking of the concept of [compulsory] military service.

The words of the former prime minister were firm: We must respond to a double threat posed by the Red Army--through its mobile SS-20 missiles, to military objectives on the European continent, vulnerable to destruction in seconds; and through the tilt of these forces of intervention toward the oil supplies of Western Europe. The eventual response must be based, essentially, on a national fleet of fifteen missile-launching nuclear submarines and on French intervention forces shored up with new transport aircraft.

This analysis by the deputy from Correze may seem glib. It certainly lacks nuance, but the description of the risks run is not the most improbable of scenarios that can be envisioned. The proposals advanced do invite reflection, beginning with the choice of weapons systems and the financial considerations.

To stake everything on the submarines (it is to be noted that Mr Chirac did not speak of either bombers or land-based nuclear missiles) is a policy which no country has held to this day, because it is far preferable to diversify its strategic and technological panoply of deterrence, by increasing the number of delivery vehicles and thus the possibility of a selective strike, adjusted to the nature of the enemy targets. Certainly, the submarine is for the moment an effective and reliable weapon of deterrence. It is not a panacea and cannot claim to cover all the priority targets. Like other weapons systems which presently complete our deterrent

arsenal, the submarine has its own drawbacks and limitations on use.

The submarine is also not the most expensive weapon in the French panoply of defense. In the range of the tens of millions of francs, it is--without its weapons of destruction--as expensive as a totally equipped armored division (2,100 million Fr.), but its cost reaches 4 billion Fr. with its missiles and nuclear warheads. In 1980, the oceanic strategic force (four vessels with 64 missiles delivering 64 megatons in total) will require 4,620 men and more than 2,123 million Fr. in appropriations, which is less than 2.5 percent of the whole defense budget.

If, therefore, the military choices are reduced to the elementary calculations of "cost effectiveness," comparing the cost of a system and the expected destructive effect it is assumed to provide, the submarine is probably the least expensive weapon and the most effective. To plan to construct nine others before the end of the century, to add to the six which will be in service in 1985 is not devoid of interest, on condition that they be coordinated with other weapons systems and, at the same time, that military spending be significantly augmented. Because it is an illusion to think that many economies will be realized by reorganizing the traditional forces.

One can certainly, as Mr Chirac suggests, decide to shore up the field forces in the ground army. But we know that, here and now, the First French Army without its tactical nuclear armament is, within a few men and pieces of equipment, the equivalent in fighting force and firepower of the force the Soviets sent to Afghanistan, on the order of 85,000 men supported by 2,000 tanks and 450 airplanes. One can also, as the former prime minister proposes, re-organize military service. But any effort involving nuclear or classical equipment requires personnel qualified to use this hardware, and the troop levy has provided, up to now, the least expensive manpower.

In the same way as the emphasis placed by the deputy from Corrèze, on the other hand, on intervention forces, requires career people permanently available, whose operational costs (pay and benefits) are not negligible.

In truth, choices must be made: France cannot do everything. But to attempt a "finesse," even temporarily, is a political gamble on the future in a context of present crisis and taking into account the long-term nature--several decades--of commitments which characterize such a program of military acquisition. Mr Chirac must know this: the nuclear forces, including the submarines, have received appropriations in constant francs, substantially equal from year to year, since 1969; the least favorable period being from 1974 to 1975, at the time when the RPR deputy from Corrèze was prime minister.

COUNTRY SECTION

FRANCE

CHIRAC'S ECONOMIC PLANS, PROVISIONS CRITICIZED

Paris LE MONDE in French 14 Feb 80 p 9

[Article by Gilbert Mathieu: "Four Economic Forecasts"--passages between slantlines in italics]

[Text] One of the weaknesses of the economic policy called for by Mr Chirac is, of course, its financing*. On 17 October of last year, in the National Assembly, the RPR leader said next to nothing on the subject, even though he discussed the expenses of the state and the nation. He was even less loquacious than his financial adviser, Mr Jean Meo, six weeks earlier.

The occasion was thus offered Tuesday to the mayor of Paris to fill in this gap and make his project more credible. He did not do it, doubtless judging that the vehicle he had chosen for re-entry did not lend itself well to financial developments. One already knew how Mr Chirac expects to pay for the nine supplemental nuclear submarines that he proposes to build. The detailed budgetary explanation can wait until later.

In turn, the former prime minister spelled out his economic thought on four points. The oil problem, first of all, and in a more general way that of development assistance.

Already a supporter of indexing the price of "crude"--out of /"concern for justice"/ as well as to dissuade the oil-producing countries from continuing with /"sudden increases"/ which disorganize the economies of the consuming nations--Mr Chirac believes it is necessary to consummate purchases otherwise than in dollars, to avoid making American currency any more unstable than it is and, indirectly, Western currencies as well. A /"currency basket in which gold would be placed"/ seems more useful to him. Wise thought, but still remaining to be translated into reality: the United States--which so abusively played the dollar for 15 years--and the Emirates, who find this means of payment so nice and practical, are they ready?

* "Bilan Economique et Social 1979," page 60.

Mr Chirac goes even further: re-submitting his proposal for an /"alliance for development,"/ he suggests starting its practical application this year.

Rather than babble vainly about the North-South dialog or "trialog" (point addressed, without naming him, to Mr Giscard d'Estaing), the mayor of Paris would prefer that the oil monarchs be asked to use the 100 billion dollars excess, which they cannot use in their own countries this year for the purchase of new imports, for development of those countries in need of it*. This money would be well utilized thus, although it risks increasing international monetary speculation and the inflation in gold.

The credits opened to the Third World by the oil countries would at the same time free the Western nations from providing to the poor peoples loans of equivalent value. They would be able, therefore, as Mr Chirac wishes, to redouble their efforts on investment and expansion. The contribution of the West in the affair would be only to guarantee financially the debt service contracted between the rich and poor nations of the Third World**. The idea is good, too. It remains to be put into practice: this will probably be no easier than bringing the buyers and sellers of oil into agreement.

On gold, Mr Chirac, who has never believed in the words of the apostles of demonetization, believes his judgment has been confirmed by events. The brutal increase in the precious metal, a sign of general uncertainty, shows, according to him, that we must retreat back from monetary structures which in the last few years have looked toward eliminating gold from the cycle. The yellow metal should, he says, play an active role at three levels: as /"reserve asset of the central banks, as an element in the definition of a reserve currency, finally as an element in the standard of an exchange currency."/

A final suggestion from Mr Chirac, who always comes back with pleasure to his dossiers as the former minister of agriculture: the resurrection of the common agricultural policy of the Nine. Rather than make the French growers pay, /"who are not responsible for the milk surpluses of the EEC,"/ what is necessary, he says, is "to make those pay who cause the drain on the till":/ the German, English, and Dutch farmers. And tax--if not forbid --the importation of vegetable fats which, according to the mayor of Paris, the United States "imposes" on Europe.

* Of the some 300 billion dollars which the increased price of oil will bring in 1980 to the countries producing "crude," only about 200 billion, it is believed, will be used by them as payment for additional imports.

**Mr Chirac has estimated the needs of the Third World over the next 10 years at \$300 billion, a figure analogous to that which was advanced at Havana (the Nonaligned Conference), then at New Delhi (UNIDO meeting) by the "Group of 77" for the decade 1980-1989.

On the evidence, the RPR leader is ready to break new lances with his
ECC partners on the questions of soybeans, butter, margarine... For a
moment one thinks one has gone back in time nine months: the European
elections are not so far off...

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COUNTRY SECTION

FRANCE

PCF DESIGNATES REGIONAL LEADERS

Paris LE MONDE in French 14 Feb 80 p 9

[Article: "The PCF Has Designated Regional Leaders"]

[Text] The Politburo of the PCF on 7 February designated, from members of the Central Committee, 21 regional leaders who will work in the "regions" sector of the central committee, led by Mr Rene Piquet, member of the Politburo, and Mr Felix Damette, member of the Central Committee.

They are Auguste Bechler (Alsace), Jean Barriere (Aquitaine), Andre Lajoinie, member of the Politburo (Auvergne), Louis Leroux (Bretagne), Louis Baillot (Champagne-Ardennes), Mariel Zaidner (Centre), Jean-Claude Lefort (Corse),* Antoine Casanova (Franche-Comte), Maurice Martin (Languedoc-Roussillon), Pierre Franchere (Limousin), Roland Favaro (Lorraine), Rene Piquet, member of the Politburo (Midi-Pyrenees), Roland Leroy, member of the Politburo (Haute-Normandie and Basse-Normandie), Gustave Ansart, member of the Politburo (Nord-Pas-de-Calais), Claude Poperen, member of the Politburo (Pays de la Loire), Maxime Gremetz, member of the secretariat (Picardie), Paul Fromenteili (Poitou-Charentes), Guy Hermit, member of the Politburo (Provence-Cote d'Azur), Mrs Francette Lazard (Rhone-Alpes), and Mr Paul Laurent, member of the secretariat (Paris region).

* Former secretary of Mr Georges Marchais, Mr Lefort is secretary of the communist federation of Val-de-Marne, the department from which the PCF secretary general is the deputy.

9516
CSO: 3100

BIOGRAPHIC SKETCHES OF FIVE 'UPC MING' UDF MEMBERS

Paris LE POINT in French 11 Feb 80 p 46

[Article: "The Front Ranks of the 'Blue Hussars'"--passages between slantlines in italics]

[Text] The young new UDF generation is numerous.
It is greedy. Here, in the opinion of the
Giscardian leaders themselves, are their five
main hopes.

Edmond Alphandery



36 years old, one child, deputy, and mayor of Longue (Maine-et-Loire)

This teacher of political economy, who is reluctant to talk of himself and likes to portray himself as a /"professional economist,"/ seems an unlikely member of the CDS--a party which, with all due respect to Rene Monory, has never had a particular passion for economics. But the gentleman himself, whose "beacons" are Clemenceau, Poincare and Robert Schuman, thinks there is no contradiction between economic considerations and /"well thought out"/ social generosity. President of a parliamentary group on monetary and financial problems, son-in-law of ex-UNR deputy Philippe Rivain (now deceased), Edmond Alphandery, after having studied at Chicago then at Berkeley, was at age 27 the dean of the faculty of

political economy at Nantes. Cousin of banker Claude Alphandery, this graduate of the ENA [National School of Administration] who represents a rural district and is very careful to preserve his independence, could, it is whispered, go far. /"He could be Minister of Finance one of these days,"/ says an admiring Giscardian dignitary.

Gerard Longuet



33 years old, three daughters, deputy from Bar-le-Duc (Meuse)

This ENA graduate, hardworking and ambitious, coming from a modest background /("I am,"/ he confides, /"a small shopkeeper in a world of big shopkeepers"/), has a full dossier as an extreme rightist activist in the past. His colleague (and now friend) Francois Leotard, remembers, for example, the day when, in the Latin Quarter, Longuet neatly broke his glasses. /"I've played a number of tricks,"/ the subject admits today, adding, on the subject of Algeria: /"In the end it was Debre who was right!"/ An intimate friend of Jacques Dominati, a sailing enthusiast, Gerard Longuet, ex-subprefect of l'Eure, has kept from his youthful days a solid frankness. Example: /"most ENA graduates are kill-joys."/ An admirer of Barres, Clemenceau, and Poincare, a fervent nationalist, Longuet believes in the virtues of competition and the inevitable character of selection. In short, a "moderate" scrapper. A type rarely seen up to now among Giscardians.

Francois d'Aubert



36 years old, bachelor, deputy from the 1st district of Mayenne

/"Fairly pro-government"/ before 1974, overwhelmed by the /"implausible conservatism"/ of the end of the Pompidou era, this aristocratic graduate

of ENA with the long genealogical tree owes his seat as a deputy, he asserts, to Raymond Barre who, seeing him at work on his staff, urged him to run. /"A technocrat to the core: I had everything to lose,"/ he comments. Previously, (in 1977) Francois d'Aubert had (in vain) headed a list of "socialites" attempting to capture the mayoralty of Laval, where one of the streets bears the name of one of his relatives. A member of the Assembly's finance committee, Francois d'Aubert places himself on the left-center, says he was profoundly influenced by de Gaulle, and never misses a game of the Laval football team. A "smart" and brilliant Giscardian who, from time to time, bears a tremendous resemblance to his model.

Rene de Branche



38 years old, one child, deputy from the 3d district of Mayenne

This graduate of ENA, married to another, comes from an old traditionalist family in the West which regarded going into politics as a sign of "poor breeding." He is, however, the great-grandson of a legitimist deputy from the Mayenne, Augustin de Branche.

Elected in his first race, in March 1978, with 61 percent of the votes, after having worked the 6 previous years on the staff of the National Bank of Paris, René de Branche would himself like to be a legitimist deputy, too. He confides, for example, that he always voted for de Gaulle from 1958 even up to 1969. A member of the Assembly's finance committee, where he is one of the most assiduous, a "fan" of Roger Chaudron, René de Branche says he is passionately fond of legislative work. This discreet and refined graduate of ENA, who is mad about opera, has the attraction of a gentleman of the Eighteenth Century. He does not throw stones at the technocrats: /"95 percent of the time,"/ he says, /"they are right."/

Francois Leotard



37 years old, three children, deputy, and mayor of Frejus (var)

Born into a large family (he has six brothers and sisters, including the actor Philippe Leotard), this son of a former mayor of Frejus is the cofounder of the CFDT [French Democratic Confederation of Labor] chapter in ENA. He does not try to hide having--/"like many Frenchmen"/--a /"leftist heart,"/ which does not prevent him from being, by his own admission, /"vigorously anticomunist,"/ He has described publicly the aversion inspired in him by the May 30 1968 Gaullist demonstration in the Champs-Elysees. Leotard disapproves of the...ENA graduates in the ministries, /"their condescension and their casualness."/ This smiling deputy, with "pointed" but light speech, fits perfectly the mold of the left-center Giscardian.

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COUNTRY SECTION

FRANCE

COMPUTER TECHNOLOGY COLLABORATION: THEORY, PRACTICE

Paris L'USINE NOUVELLE in French 21 Feb 80 pp 61-63

Article by Daniel Lacotte: "European Data Processing--Good Intentions Are Not Enough"

Text Although the three major European manufacturers are increasingly claiming that they favor a certain amount of mutual collaboration, in practice it is a different story; their strategies are hardly compatible.

In presenting the results of the Franco-American manufacturer, CII-HB, at the beginning of the month, Jean-Pierre Brule, its president and general manager, reaffirmed his intention of seeing the establishment of various forms of collaboration among the principal European manufacturers. In addition to his company, Brule is naturally thinking about the English firm, ICL, and the German firm, Siemens.

This new European data-processing arrangement will not be in the form of mergers (see L'USINE NOUVELLE, No 5 of 31 January 1980, page 39). The failure of Unidata (a company made up of CII, Siemens and Philips, established in 1972 and broken up by the French Government in 1975 because it preferred an alliance with Honeywell) left too many painful memories to attempt a new adventure. Cooperation among the three principal European manufacturers, so desired by Etienne Davignon, the EEC commissioner for industrial subjects, can only be very limited. It will be made in very specific areas: for example, software, grids and peripheral systems. Nothing more than an exchange of licenses or products. Moreover, such agreements already exist, since CII-HB and Siemens are working together to develop a European programming language.

Jean-Pierre Brule's wish met with favorable response from his British and German counterparts (Christopher Wilson and Anton Peisl); but, before good intentions become concrete realities, the Americans will still have time to get a substantial amount of business. For let us not forget that 70 percent of Europe's large-computer requirements are covered by equipment coming from across the Atlantic. Thus, Etienne Davignon's concern is to counter American domination by calling upon European manufacturers to unite their efforts.

CII-HB's Questionings

In theory, these praiseworthy intentions of community collaboration seem easy to implement. In practice, things are quite different, for, just like the equipment they manufacture, the strategies of the three European firms in question are not compatible.

For example, at CII-HB the minicomputer has been pursued since 1978. The company directors are now increasing the firm's business. Especially in the office-equipment sector which "will represent 5 to 10 percent of the company's sales 5 years from now," CII-HB's president and general manager emphasized. In view of CII-HB's lag in this sector, there is no doubt that the Franco-American manufacturer will have to acquire a firm specialized in this area. Logabax, which is not lacking in problems at present, could serve this purpose (see L'USINE NOUVELLE of 27 December 1979, page 43).

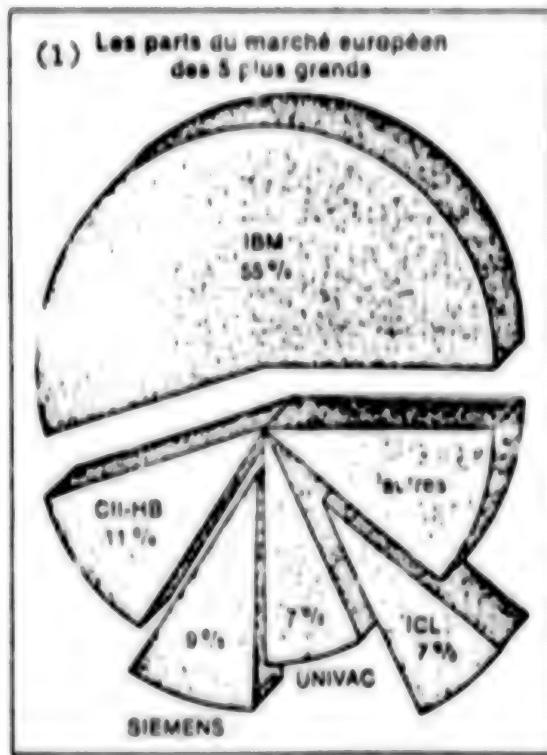
Moreover, CII-HB must smooth away some concerns of an internal nature. The company's capital is currently shared 47 percent by Honeywell and 53 percent by Bull Machine Company. But the latter's capital itself is shared 60 percent by the public, 20 percent by the state and 20 percent by Saint-Gobain-Pont-a-Mousson. It so happens that Saint-Gobain, which is engaged in electronics (it has signed an agreement with National Semiconductor to manufacture integrated circuits in France), seems to want to increase its participation in CII-HB. To whose detriment will it do so? So much so that Honeywell is considering its possible withdrawal.

Another problem is requiring a lot of attention at CII-HB: that of the commercial network. In fact, for low-range products the Franco-American manufacturer is seeking partnerships. An agreement has just been signed with SMO; there is a good possibility that another will be concluded with Roneo.

Moreover, the last government subsidies were granted in 1979. Not counting those subsidies, CII-HB is considered to have made a profit (see chart next page). This is the first time since 1976. But without subsidies and preferential orders provided by the administration, will CII-HB be able to hold out? With all the other factors called to mind, that makes a considerable amount of questioning as to the firm's future.

The German manufacturer, Siemens, in turn, has hit upon a different strategy. It has signed an agreement with the Japanese company, Fujitsu, which is supplying it with large computers whose specialty lies in their being almost compatible with IBM systems. Meanwhile, Siemens furnishes Fujitsu laser printouts. This agreement between the two companies is valid for 10 years during which time Fujitsu will not be able to sell directly in European territory.

It should be noted that Siemens has a not insignificant trump card: its all-inclusiveness. Siemens designs and manufactures its own electronic



Key:

1. Parts of European market shared by the five major manufacturers.

CII-HB has 27 percent of French market. In 1979 its sales in French territory was 2.75 billion francs compared with a total of 6.512 billion for IBM-France. Siemens has 21 percent of German market and ICL 36 percent of English market.

components within a group in which data processing is one of six divisions whose combined sales are 65 billion francs. And we can be sure that, from now on, Siemens will play a major role in European data processing. Let us not forget that the German manufacturer is devoting more than 1 billion francs to research (double that of CII-HB). And Siemens is also in the telephone field. Lastly, Siemens is also thinking about office equipment, and Anton Peisl, director of the data processing division, told us recently that he is not discounting the possibility of purchasing a firm in this sector.

As for ICL, despite a decline in commitments by the British Government, its management remains confident. The fact that the government withdrew its

20 percent participation in the capital will not have a great impact. More worrisome is the termination of the use of the slogan, "Buy ICL," in that the manufacturer had received sizable orders in the public domain. Despite 36 percent of the English market, ICL is in least favorable position on the European level (see statistical information given below). And this despite Singer's repurchase in 1976. But ICL has considerable activity in final sales points and, moreover, has an extensive policy in overall manufacture and modernization of its production plants.

Threefold Distribution of Europe's Data Processing Sector
Sales, investments in research and profits of CII-HB, Siemens and ICL in 1979

	Sales in millions of francs	Research (millions of francs)	Research (in percentage of sales)	Profit (in millions of francs)
CII-HB	5,128	550	10	210
Siemens	3,700	1,147	31	Not commu- nicated*
ICL	5,700	Non commu- nicated	15 to 20**	420

*However, Siemens' data processing activity was allegedly profitable in 1979.
**Estimations.

Profiting by the interest the Japanese have in Europe, ICL signed some agreements with Hitachi. But Hitachi has just signed a contract with the Italian company, Olivetti, which will be able to market large Japanese systems in Europe. We can then assume that in the very large systems sector ICL risks being the most vulnerable manufacturer. Moreover, it is not by chance that ICL's head man has up to now been the one most convinced of the benefits of a cooperative arrangement.

Thus, it is apparent that close collaboration among the three companies could not disregard the specialties of each one. As for an overall and concerted strategy in certain areas of activity, we do not dare think about that seriously.

In fact, besides a few very specific technical agreements aimed at an exchange of know-how, it is probably encouraging customers to buy European that will give the best results. Indeed, within the EEC it is felt that a policy aimed at giving a European manufacturer preferred status could be a good solution. But before such a decision becomes effective, the Americans still have time to increase their share of the market.

DEFENSE SPENDING ANALYZED, CRITICIZED

Paris LE MONDE, in French 19 Feb 80 pp 21-22

[Article by Jacques Isnard: "The Debate on 'Cost of Fallout' Still Open"]

[Text] At the request of those deputies who are members of the National Assembly Defense Committee, for several months now the French minister of defense has been trying to come up with an appraisal of the relative weight of military expenditures in the national economy. A complex appraisal which has never yet been systematically made.

"No definition," RPR [Rally for the Republic] deputy from Ille-et-Vilaine and Finance Committee reporter Jacques Cressard maintained, "of the notions of unproductive expenditures, under the heading of which many economists list military expenditures, can be given. No reason has been advanced for justifying the decision not to integrate military investments into the gross accumulation of fixed capital. Generally speaking, the link between military expenditures and national accountability is among the most nebulous of its kind."

The economic dimensions of the national defense effort are, in fact, not measurable in terms of annual expenditures for the armies alone, which in 1980 will represent a commitment (pensions included) of 105.4 billion francs, even if this financing puts military appropriations in first place among the budget packages, ahead of the so-called common expenditures (94.7 billion francs) and education (89 billion). Aside from pensions, defense expenditures -- or 88.602 billion francs, up nearly 15 percent in comparison with those of 1979 -- occupy third place.

Despite this very clearcut priority of defense over other state expenditures, it is interesting to note that France today dedicates the same percentage of its resources to its army as it did over a century ago: on the order of from 3 to 4 percent of its GNP each year. With the exception of the period that preceded World War II (6 percent in 1938) and during the Indochina operations (8 percent in 1953), then the Algerian campaign, this has remained unchanged since the end of the Napoleonic wars.

Compared to the situation in countries whose economic development is similar to France's, there is nothing exceptional about this defense effort, but there is one thing typical of it: the amount of credit — about 43 percent of the overall package — allocated for material tends to grow each year to the detriment of the amount devoted to personnel, on the order of 570,000 persons. It is precisely these material expenditures (studies, research and manufacture) that best correspond to the high level technical activities and contribute to changing the very structure of our economic life through the orders they entail from the industries involved.

In France, the weapons industry employ about 287,000 people (155,000 of whom in the private sector), or 4.5 percent of the active working population in industry. This is a sector that participates largely in the current balance of payments since it exports from 35 to 40 percent of its production, depending on the year, even if we take into account imports necessary for the manufacture of equipment in France which is later sold abroad. In 1979 this industry received 25 billion francs worth of export orders.

Through its acquisitions of goods or services, the French customer, the French Army, contributes to the operation of the economic "machine." Its own orders in 1980 should represent about 1.6% percent of the marketable GDP, which may seem low on the national scale, however, these military equipment orders are actually concentrated in certain quite particular sectors.

The beneficiary sectors, public and private, are primarily aerospace, nuclear energy, electronics, general mechanical equipment or certain naval shipyards for which it is difficult to distinguish — especially for export — their military production from their civilian activities. In the Near East, for example, fighter plane sales have caused France to supply its customers with air-cover installations, equipment which is more civilian than military.

Nevertheless, on the basis of these cases of economic involvement through military orders, it would be an exaggeration to conclude that these instances of defense "fallout" are large in volume and diversity. Taking into account the technical risks involved in perfecting a weapons system or the length of time required to develop a manufacturing process for it (which can be spread out over a decade), an increase in the corresponding appropriations can, at least in the immediate future, represent a certain amount of waste if the national resources allocated for defense exceed the country's technological or industrial capacities and are slow in creating the beneficial diffusion effect expected from the economic standpoint. This is no doubt the prospect in store for France due to the sizable increase in military appropriations decided on by the chief of state and the government since 1976.

Totally controlled by the government, the military budget is supposed to stimulate the major industries — the very ones the experts describe as

"development - artifice" — but there really is no long-term agreement between the strategies of the Ministry of Defense and the Ministry of Industry.

In several occasions in the recent past, the Ministries of Defense and of Economy have appeared to be aware of this risk and have instructed manufacturers to orient their specifically military research more toward profitable export sectors or techniques likely to have civilian applications.

Despite these principled recommendations, the difficulties persist. First, because military requirements are specific and do not automatically lead to the creation of a civilian industry, as the absence of cases of "civilian fallout" in the field of nuclear propulsion for naval purposes shows. Second, because the existence of compartments often prohibits the diffusion of the techniques acquired, as the fact that the prosperous tank industry in France has not given rise to a well-developed truck or public works construction equipment industry bears witness.

These are therefore barriers to the conversion of military techniques for the benefit of the civilian market, probably because military customers have their own needs or different requirements from those of the other government departments. In the Economy Ministry there would rather be a tendency to feel that the obstacle to such a diffusion of techniques and to a broader distribution of "civilian fallout" of military investments is produced by the conditions under which weapons are manufactured in state arsenals or by firms protected by very old charters.

This is no doubt the basis for the debate in France. Advocates of the thesis that maintains that, by mobilizing the personnel of the most productive categories, the weapons industries have deprived the other national industries of the means necessary to their development oppose the partisans of a weapons industry that enhances the mean evaluation of France's production machinery.

Sales Figures for the Major French Firms

Sector	Firm	Total Sales Figure (Taxes Excluded)	Weapons Sales Figure (Taxes Excluded)	Weapons Personnel
Aeronautics	ONERA [National Industrial Aerospace Company]	9,503	6,181	21,000
	Dassault-Breguet	5,697	5,165	12,900
	SNECMA [National Corporation for Aircraft Engine Design and Construction]	2,291	1,802	7,700
	TURBOMECA [expansion unknown]	939	438	3,400

	European Propulsion Company	923	484	1,500
	Industrial Aviation Labo- ratory	293*	293*	2,800
	MATRA [Mechanics, Avia- tion and Traction Com- pany or Missiles Com- pany]	1,794	1,047	3,00
	Ground Equipment			
	Manurhin (controlled by MATRA)	638	470	2,300
	Luchaire	904	290	1,300
	Thomson-Brandt	4,021	473	1,300
	Panhard	569	569	600
	Ground Weapons Indus- trial Associates	3,386*	3,343*	17,000
	Naval Equipment			
	Normandy Mechanical Con- struction Company	621	621	800
	State Arsenals	4,979*	4,602*	28,000
Electronics	Thomson-General Wireless	6,007	2,853	15,000
	Marcel Dassault Elec- tronics	727	624	1,900
Explosives	National Powders and Explosives Company	981	651	3,800

These estimated sales figures, given in millions of 1977 francs (latest known comparative figures), for the major French weapons manufacturers were published in October 1979 by the National Assembly Finance Committee.

* Sales figure includes all taxes.

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ARMY UNITS RESTRUCTURED FOR MISSIONS OUTSIDE FRANCE

Paris DEFENSE NATIONALE in French Feb 80 pp 150-152

[Article by Gerard Vaillant: "Army Reorganization and Enhanced External-Action Capabilities of Army Units"]

[Text] France cannot live by remaining withdrawn within its own borders. It has worldwide interests and a worldwide policy. It and other continents are economically interdependent. It has overseas departments and territories it must defend. Consequently France must be capable, if and when necessary, of acting militarily beyond its borders. For this reason, the missions assigned to its armed forces include:

- a. Being capable of contributing to the security of those countries outside Europe with which France has close ties either by agreements or by de facto economic or cultural solidarity;
- b. Being capable of taking various forms of external action, whether it be participation in peacekeeping missions at the request of international organizations or the countries directly involved, or furnishing military and technical assistance to threatened countries.

To meet these obligations, the three services maintain external-action forces in a quick-reaction posture. Some of these forces are already stationed outside our borders in the DOM-TOM [Overseas Departments and Territories] and on the territories of the republics of Senegal, Ivory Coast, Gabon, and Djibouti with which France has concluded suitable agreements. These forces outside Europe total approximately 25,000 men for the three services, i.e. army, air force, and, navy.

If necessary, as was the case for the Kolwezi [Zaire] operation in 1978, the army can employ units that are more specifically external action-oriented, employ them either in airborne operations (11th DP [Airborne Division] in Toulouse), or in landing operations (9th DIMA [Marine Infantry Division] in Saint-Malo). The first of these major commands, the 11th DP, was recently reorganized, as we shall describe below.

But first it is appropriate to discuss the framework and rationale of this restructuring effort. Its framework is the reorganization of all army forces, a program now nearing completion. This reorganization was designed to remove the distinction and disparity in operational capabilities between "the forces of maneuver," "territorial forces," and "intervention forces," and establish a more homogeneous, mobile, and multi-mission army. The brigade echelon has been eliminated and 15 divisions have been formed, each of 6,000-7,000 men: 10 of these divisions, 8 of them armored, are organized into three corps; 5 infantry divisions, including the 9th DIMA, plus one Alpine division (27th DA) and one airborne division (11th DP), constitute the general reserve.

Thus there are no longer any "intervention forces." In fact, the very term is taboo. The reorganization's objective is maximum employment flexibility. While the primary mission of the three corps is still to operate north of the Loire River, nothing says they cannot be deployed toward other borders and outside those borders. Conversely, the 9th DIMA may possibly be employed with other general reserve units to reinforce one of the corps inside or outside our borders, but not necessarily outside Europe. There is, however, a limit to this flexibility of employment outside Europe. It is the limit proceeding from paragraph 3, Article L.70 of the National Service Code* which has the force of law.

The reasons thus dictated eliminating the two brigade headquarters that still existed in the 11th DP, and incorporating into one airborne group two regiments comprised exclusively of regular or volunteer personnel, in other words, "professionalized" regiments.

Hence in the future the 11th DP will include the following units, in addition to the 5th RHC (Combat Helicopter Regiment) and 5th GSALAT (Army Light Aviation Group):

- a. Organic Divisional Units (EOD): 14th RPCS (Headquarters and Support Paratroop Regiment), BOMAP (Airborne Mobile Operational Base), 1st RHP (Paratroop Hussard [Rifle] Regiment), 35th RAP (Paratroop Artillery Regiment), and 17th RGP (Paratroop Engineer Regiment);
- b. One Airborne Group (GAP) with headquarters in Albi: 1st BCS (Headquarters and Support Battalion), 3d RPIMA (Marine Infantry Paratroop Regiment), 8th RPIMA, and 2d REP (Foreign Legion Paratroop Regiment) stationed in Calvi, Corsica. All these units are "professionalized."

*"Military personnel may be called upon to serve anytime and anywhere. In peacetime, however, solely those draftees who volunteer for such an assignment may be assigned to units or formations outside Europe and outside overseas departments and territories."

c. Two paratroop regiments composed of draftees: 1st RCP (Paratroop Chasseurs [Light Cavalry] Regiment) and 6th RPIMA.

Eliminated, therefore, as a unit designation, is the 9th RCP in Toulouse, a unit composed of draftees. Actually, it is the 1st RCP, currently stationed in Pau, that is being disbanded, with its designation, colors, and traditions being transferred to the 9th RCP. The "new" 1st RCP will eventually be relocated in Pamiers.

With the GAP, the high command has an immediately operationally ready unit suitable for employment in a tropical climate thanks to the system of rotating its companies on temporary overseas assignments. GAP personnel are fully trained, and have all required immunizations. Furthermore, there are no legal restrictions in their availability.

The GAP can be reinforced, as needed, by any element of the EOD, some of whose units are also "professionalized." The idea is to be able to arrange the group so that it can perform the variety of tasks that may suddenly become necessary, and do so without disorganizing parent units furnishing the elements to perform such tasks.

This same idea governs the current activation of DAO (Operational Assistance Detachments), namely five within the 11th DP and three within the 9th DIMA. Each DAO has 30-40 men, including 4 or 5 officers and some 12 noncommissioned officers, all of whom are regulars or volunteers and specialists in a combat arm or type of combat. DAO's are available at all times for assignment to any training or technical military assistance mission with countries having concluded agreements with France.

These reorganizations and activations are accompanied by modernization of the equipment to be used in external operations. The 11th DP is to be entirely equipped in 1980 with the 5.56 mm FAMAS [Assault Rifle]. Eleventh DP communications equipment is also being modernized with mobile stations providing reliable, long-range communications links between Paris and units wherever they may be deployed. Eventually, the communications capability for external operations will be further enhanced when PTT [Postal and Telecommunications Administration] communications satellites become operational. The armed forces will have their own transponders on these satellites, thus providing all three services with powerful, reliable, and secure communications.

The transport and logistical support capabilities of airborne units will be increased soon with the receipt of 28 new-version Transall military transport aircraft capable of in-flight refueling (by C-135 tanker), thereby giving these aircraft the capability of transporting 6 tons a distance of 7,500 kilometers non-stop (instead of 5,600 kilometers).

Lastly, the magnitude of the governmental effort in favor of external action is also indicated by the scheduled activation--as revealed in National Assembly debates on 6 November 1979--of the 31st Demibrigade (with headquarters in Marseille?) sometime in the summer of 1980. The defense minister compared this unit to the combined arms regiment General Bigeard formerly commanded in Bouar. It will be comprised of the 21st RIMA [Marine Infantry Regiment] equipped with AML's [Light Armored Car] and VAB's [Forward-Area Armored Vehicle], now stationed in Sissonne and to be moved to Frejus, the 1st REC (Foreign Legion Cavalry Regiment) in Orange, and the 2d REI (Foreign Legion Infantry Regiment) in Corsica, to be equipped with VAB's. This demibrigade will be trained and equipped for external-action missions. Its activation will require no new outlays from the army budget and its equipment is already provided for in the programming law.

Formation of the 31st Demibrigade was obviously prompted by the government's desire to have units deployed on each of France's sea frontiers, units capable of employment, with a certain mechanized capability, in landing operations: the 9th DIMA facing the Atlantic and the 31st Demibrigade facing the Mediterranean. Once again, external action must not be viewed as being necessarily directed toward deepest Africa.

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PEOPLE'S ALLIANCE PURGES LABOR LEADERS FROM PARTY COUNCIL

Gestsson Supported Votes

Reykjavik MORGUNBLADID in Icelandic 17 Feb 80 p 32

[Text] Many purges are taking place within the People's Alliance. At a People's Alliance meeting in Reykjavik last Thursday elections for the party council were held at which all of the main labor leaders were defeated. The party council is one of the most powerful institutions in the party. Those who failed to win seats were: Snorri Jonsson, the president of the Icelandic Federation of Labor; Gudmundur J. Gusmundsson, an Althing member and a leader of the Icelandic Workers Association; Ingolfur Ingolfsson, former president of the Icelandic Ship and Fishing Workers Association and president of the Icelandic Association of Marine Engineers, and Einar Ogmundsson, the head of the National Teamsters Association.

MORGUNBLADID asked Gudmundur J. Gudmundsson yesterday about these developments, and his only comment was that these four leaders of the labor movement were regarded as a kind of "clique of four" within the party leadership. The question now was how the measures against the four would be followed up.

According to information that MORGUNBLADID gathered yesterday, there is considerable background to this change in personnel. One of the elected labor leaders is Asmundur Stefansson, the head of the labor movement, who was put on the party council without his consent. Stefansson is apparently overseas, and considering that he refused to take a seat on the Central Committee, his election to the party council seems to be some sort of legerdemain, as he is not expected to want a seat on the council.

Those responsible for these purges are the influential new leaders of the party, Svarav Gestsson, Hjorleifur Guttormsson and Olafur Ragnar Grimsson, who have been called the intellectual clique. They seem to be strengthening their position in the party, reprimanding the aforementioned leaders for not being loyal to the party. The friction

between Snorri Jonsson and the party started when the party's candidates were chosen in 1978 and he resigned from the Candidates Committee. Gudmundur J. Gudmundsson was apparently opposed to the recently formed government; Ingolfur Ingolfsson challenged the left-wing government last year when the interests of seamen was one of the main issues, and Einar Ogmundsson seems to have had some trouble within the party for several years.

Among others who were expelled was Throstur Olafsson, an economist. A person familiar with the party said that the defeats of Gudmundsson, Ingolfsson and Jonsson were no coincidence. It was an admonition that they should be careful, that they were not indispensable. This same person said that he hoped that this admonition would not result in the People's Alliance being able to do without the labor movement.

Labor Chief Comments

Reykjavik MORGUNBLADID in Icelandic 19 Feb 80 p 2

[Text] "I consider the outcome inappropriate and I think that most people agree with me on this. The party council meeting takes place next weekend, and by that time it will be clear whether I will attend or not. At this point I cannot tell whether or not I will be able to make it," Asmundur Stafansson, the head of the Icelandic Federation of Labor, said yesterday evening when MORGUNBLADID asked for his opinion of his outcome of the party council elections at the People's Alliance meeting. The elections have caused a great deal of surprise, especially because a number of the party's labor leaders either fell from main to auxiliary posts or were not elected at all.

MORGUNBLADID reported yesterday that Snorri Jonsson, the present head of the Icelandic Federation of Labor; Gudmundur J. Gudmundsson, an Althing member and president of the Icelandic Workers Association, and Ingolfur Ingolfsson, president of the Icelandic Association of Marine Engineers, were among those who failed to obtain seats on the party council. Jon Hannesson, the chairman of the BHM [expansion unknown] Wage Council, and Jon Snorri Thorleifsson, the president of the Reykjavik Carpenters Association, also failed to get reelected and were not among the 40 alternates chosen. On the other hand, Asmundur Stefansson, the director of the Icelandic Federation of Labor, was elected to the party council. He did not hold a seat on it before and was not an alternate. Among the former members of the council who were not running this time were Einar Olgeirsson and Magnus Kjartansson. Thirty-four council members and 40 alternates were chosen.

Asmundur Stafansson was abroad when the party council election was held. Yesterday evening he said that he knew so little about the meeting

that he was not in a position to judge the affair or to evaluate the election results; he said only that they were inappropriate. Stefansson said that his decision not to run in the last Central Committee election was correct, and when MORGUNBLADID inquired whether he would take the same approach now, he said that he had not yet taken a stand. He said: "I will weigh any suggestions that are made."

MORGUNBLADID spoke to several members of the People's Alliance yesterday, and they were split into two groups regarding the issue. Some thought that several of the party's labor leaders and others had been punished for their negative attitude towards the political leadership of the People's Alliance, while others thought that "all conspiracy theories were sheer lies" and that the outcome of the elections was mere coincidence, owing to the light attendance at the meeting and the point system used by the party.

"The results in connection with Jonsson, Gudmundsson, Hannesson and Thorleifsson were no coincidence. This was a deliberate purge, especially as far as the first three are concerned. It was an admonition about what happens when the capriciousness of the political leadership is not docilely accepted," one of the people from the labor faction of the People's Alliance told MORGUNBLADID. Another individual said that what indicated that the results were no coincidence was that one of the labor leaders was contacted before the meeting and told that there a plot to defeat him in the council elections.

"The results of these elections can be traced mainly to the point system that the People's Alliance uses and to the fact that only 60 persons attended the meeting," said Olafur Ragnar Grimsson, the chairman of the People's Alliance Althing group. "The way the point system works is that you can give three points to three people and two points to another three, but all of the others whom you choose get only one point. Thus, relatively small groups can give their people more points and put them ahead, while the danger is that the ones whom everyone agrees on and considers secure get much fewer points and might not even be elected, even though they are selected on more ballots than the people who get the points."

There was a mistake in a MORGUNBLADID news report last Sunday. The report incorrectly said that Einar Ogmundsson had not been reelected to the party council. Ogmundsson did not have a regular seat on the council but was the 17th alternate and holds the same seat after the recent elections.

Becoming Reactionary Government Party

Reykjavik MORGUNBLADID in Icelandic 21 Feb 80 p 24

[Editorial: "Purges in the People's Alliance"]

[Text] A major breakup is now going on within the People's Alliance. Ever since it became clear that Ludvik Josepsson, the party's head, was going to resign and withdraw from day-to-day politics, the members of the People's Alliance have been dividing into power groups. The struggles that this has prompted are manifested in many forms. The last was at the People's Alliance party council elections in Reykjavik, where an offensive was launched against a number of the party's most famous labor leaders, who were defeated at the general election.

The Communists in the People's Alliance have long boasted that their party reflected well the attitudes of several movements in society, and through contacts with them the party kept up its necessary grass-roots ties. It now seems that these ties are being broken because of the power struggle by a small group that is staunchly supported by THJODVILJINN.

During the election campaign the leadership of the Association of Icelandic Students Abroad decided not to cooperate with the People's Alliance, saying that while in the opposition the party had neglected the issues that it had promised to bring up on behalf of students. When the list of candidates for the recent election was being drawn up, the views of the Raudsokka Movement (women's liberation) were completely disregarded. The air base opponents have repeatedly stated that they no longer have any confidence in the People's Alliance. This opinion was underscored after the formation of the present government. And now at their meeting in Reykjavik the members of the People's Alliance have so treated the labor leaders that probably never have they had such little influence in the main bodies of this Communist Party.

This is such a drastic political breakup that people are bound to ponder carefully what its causes are. There is no single explanation. The statements that party leaders such as Olafur Ragnar Grimsson are issuing are not very convincing, however. It is hard to believe that people are elected to the Communist leadership by coincidence or mistake. It is a strange coincidence, to say the least, when six THJODVILJINN employees are elected to the council while well-known men of confidence in the labor movement are overlooked.

The most sensible explanation for the latest shakeup within the Communist ranks seems to be that "the technicians" who have taken over the party and are members of the government on its behalf are completely indifferent to grass-root ties and that they have contracted the irksome disease that politicians often suffer from and that Lord Acton described in his famous maxim: "Power corrupts, and absolute power corrupts absolutely." By dint of their power they have decided to try and push aside most of the people who are struggling the hardest for their special interests.

Many Icelanders shudder at the influence that Communists have obtained in our society and at how they have forced their way into the highest positions of power. This is a fact that cannot be overlooked and that cannot be fought effectively unless the forces of democracy unite. One of the main reasons for the Communists' gains is that they have made their way into power under the wing of the labor leaders in the People's Alliance. The attitude of the "technicians" and their mouthpiece towards Snorri Jonsson, Gudmundur J. Gudmundsson, Ingolfur Ingolfsson, Jon Snorri Thorleifursson, Jon Hannesson and Einar Ogmundsson shows that they are no longer needed in the power struggle.

The People's Alliance is gradually turning into a reactionary political party in which a narrow-minded power group of "technicians" is dominant and has its way in everything, under the precept that others must obey and show the proper submissiveness.

Security Policy Dilemma

Reykjavik MORGUNBLADID in Icelandic 29 Feb 80 p 24

(Article by Bjorn Bjarnason)

[Text] Political parties that are out of step with the times seldom have a promising future. This has long been a trait of the political parties whose ideologies and doctrines are based on Karl Marx. These parties have been able to prosper despite their lack of realism because they have not been in positions of power or held responsibilities. These parties face major problems when they have to bridge the gap between words and actions. To confirm this, we need only point to the developments in the People's Alliance in this country. The party's degenerative disease has been caused particularly by the fact that it has been in power.

The meeting of the People's Alliance council last weekend passed a political resolution in a bid to justify, with all sorts of excuses and unfounded assertions, the party's participation in the government, which is not popular among party members. They also tried to correct the party's stands on certain issues, because the party has drifted

increasingly from the political goals that it claims to be struggling for; they have done this by emphasizing "conditioning" in schools and cultural affairs.

We will now give a few examples to illustrate what we have been talking about.

The beginning of the political resolution says that "over the last decade real progress has been made in the nation's independence" with the participation of the People's Alliance in the government. It goes on to say: "The extension of our territorial waters under the leadership of the People's Alliance was a dramatic change..." This is a deliberate untruth. Although the fisheries minister in 1972 was from the People's Alliance, when the Independence Party set a clear-cut policy regarding an extension to 200 miles, it met with great reluctance on the part of the People's Alliance to support it, if not outright opposition. At the time Ludvik Joseppson considered fishing outside the 50-mile limit as of little significance, saying that we ought to wait for the results of the law of the sea conference, which is still going on, before proceeding any further.

The resolution goes on to say: "During the first part of 1978 it was the Independence Party and the Progressive Party that pursued the policy, in word and in deed, that the purchasing power of wages was greater than national economic activity could tolerate... During the latter part of 1978 the Social Democratic Party joined the group of wage-cutting parties." The first part of the statement is untrue. The February regulations of the Geir Hallgrímsson government were designed not to reduce purchasing power but rather to protect it by means other than a hopeless race between wages and prices. In reading the latter part, people are bound to ask: What was the People's Alliance's policy in the latter part of 1978? Where can we see the signs that the party was against the policy that the government of Olafur Johannesson set on 1 December 1978 and subsequently the economic regulations for the first part of 1979? As a matter of fact, the members of the People's Alliance expressed only a mumbled opposition and finally agreed on a joint policy with the Progressives and Social Democrats. And what has been the result of this policy? A sharp reduction in purchasing power after 13 months of government with the People's Alliance under the leadership of Olafur Johannesson, just as we clearly predicted in the election campaign last fall.

The People's Alliance then washed its hands of the economic turmoil under Johannesson's administration with the following words: "...during the first few months of 1979 the Progressive Party joined forces with the Social Democratic Party, and together they pushed through a policy change, the so-called Olaf's law." People must be

wondering why the People's Alliance allowed itself to be cowed into supporting this law, in the government as well as in the Althing, inasmuch as the party feels that the outcome has been all bad and has prevented real progress in the battle against inflation, as we can now read in its resolution. And when has the People's Alliance proposed in the Althing that this law be repealed?

When discussing the policy of the present government, of which the People's Alliance is a part, the party resolution emphasize that the government should state that "wages will not be altered by law without consulting the labor movement." People must be wondering what this statement means. Are they planning to alter wages after the formalities of consultation have been carried out? This question is relevant because this was how they went about it when they passed the so-called Olaf's law. In spite of consultations, wages were later altered by law. Those who feel that they have the backing of the labor movement can speak pompously about consultations in solemn resolutions, but in reality they consider them mere formalities.

The section concerning the new government contains the following assertions: "The construction of the air terminal with American money is being prevented..." Here they are referring to a plan to build a new air terminal at Keflavik Airport. But Foreign Minister Olafur Johannesson has stated that the policy of distinguishing between military and general tourism activities at Keflavik Airport has not been altered, and in this regard the construction of a new air terminal is a key point. The construction plans will, of course, be reassessed with a view towards the new status for flights over the North Atlantic. It will be interesting to see which policy wins out, Olafur Johannesson's or the Communists'.

Aside from such points, the People's Alliance justifies its participation in the new government by pointing to the new ministerial posts that it gained. They are happiest about the Finance Ministry. This is what they say about it: "The party is in charge of the Finance Ministry for the first time. It is a key ministry in running the economy and in all planning. Many very difficult tasks are in store for us in the ministry, including political tasks that are of great importance, especially with regard to taxes." However, we hear the same deafening silence concerning taxes as in the government platform, except that the section on the party's tasks says, among other things: "The party will struggle harder for equality in all areas, among other things by placing taxes in line with people's real income." This is hardly surprising, is it?

The following part of the political resolution on the party's tasks is of particular interest: "The People's Alliance considers it an obligation to emphasize the struggle against the ideological dominance

of the propertied class through more active efforts in the areas of culture and education. And there will be a particular focus on the nation's cultural heritage, artistic creativity and the school system." This section can be interpreted in only one way. The People's Alliance is going to strive with increased vigor within the school system to break down the social order that Icelandic democracy is based on. What is the "ideological dominance of the propertied class"? Isn't it respect for democratic government, proprietary rights, human rights and a morality based on a Christian way of life? The People's Alliance is going to intensify the struggle against all this in the schools and in the cultural sphere, which will probably also extend to the state-run media. This is the only part of the political resolution of the People's Alliance council that is not sugar-coated and in which they speak with the ideological arrogance that Socialists, Marxists or Communists are so prone to. There is a major threat in this section, and it must be vigorously opposed if people want to safeguard individual freedom and the lifestyle that it characterizes.

The council resolution ends with a section on foreign policy and independence in which they naturally try to defend the Soviet invasion of Afghanistan (like good hardliners) and sing the same old song of no national defense.

With regard to what we said at the beginning, it is clear that in most everyday issues the People's Alliance chooses to exalt itself by telling lies and launching attacks on others. Only at one point is the party loyal to its communist roots, and this is in the "struggle against the ideological dominance of the property owners," in schools and in the cultural sphere. Do people need better confirmation of communist 'conditioning' in this field? It is precisely here that democrats must continue to be vigilant and never cease to bring to light the direct and indirect propaganda tactics that Communists utilize.

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PROGRESSIVES ON WAY TO GIVING UP PROTEST PARTY IMAGE

Stockholm SVENSKA DAGBLADET in Swedish 16 Feb 70 p 7

[Article by Thomas Knutzen]

[Text] The Progressive Party has been the free passenger of the Conservative winners. These are often comments made on the reemergence of the Progressive Party in Norway.

The party is heir to "Anders Lange's party for a drastic reduction of taxes, indirect taxes and public interference," which entered into Norwegian politics and into the Storting with a thud in 1973.

The new advances of the Progressive Party resulted from the municipal and county council elections, and much of the advance is ascribed to the party's chairman, Carl I. Hagen. With 2.5 percent of the vote on a national level, but with much better results in many towns, the party got into local government boards, municipal councils and county councils. The party got 6 representatives in Oslo's local government board and became the second largest non-Socialist party after the Conservative Party.

It is also here that the party chairman, Carl I. Hagen, has his political rostrum. After the election in the fall, the party has in opinion polls had the support of between 2 and 4 percent.

Carl I. Hagen, who in Norway is also referred to as "Sugar Boy" after his time in the sugar business, demonstrated during the election campaign that he probably masters TV as a medium better than most other Norwegian politicians. His big progress is said to be due to the fact that he answered questions clearly and even was able to answer with a simple yes or no.

The party will probably not be able to participate in the election debates on Norwegian TV. To qualify for this, a party must nominate candidates in more than one fourth of the country's 454 municipalities. As the party

Leader, Carl J. Iagen, considered TV debates to be the party's chance of success, they simply prepared lists in a sufficient number of municipalities, despite the fact that, in several places, the party had neither members nor knew of any supporters.

The Progressive Party now appears as a party which stands to the right of the Conservative Party. The original appearance as a protest party is gone. It is on its way to becoming an ordinary party on a line with other parties. But the party seeks to exploit the dissatisfaction with taxes, indirect taxes, and interference on the part of public authorities. The progress at the polls in the towns, however, was also based on a program containing a good portion of law and order.

The Progressive Party dropped out of the Storting in 1977. The group of four men who were elected to the Storting 4 years earlier, had split up twice, and the founder of the party, the old but colorful personality, Anders Lange, had died in the meantime.

In 1973, the party got voters from most parties but especially from the Labor Party and the Conservative Party. This was regarded as a protest on the part of many of the small people in the society, not necessarily the rich and well-to-do. But the support of 5 percent in 1973 was reduced to 1.9 percent in the election in 1977. The Progressive Party was then on its way to becoming a "purely right-wing party," but this did not prevent the Conservative Party, which corresponds to the Swedish Moderate Coalition Party [the Swedish Conservative Party] from scoring very big advances.

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DEFENSE MINISTER ON FOREIGN, GOVERNMENT-PRESIDENCY RELATIONS

Lisbon O JORNAL in Portuguese 22 Feb 80 pp 4, 5

[Interview with Adelino Amaro da Costa, minister of National Defense, by Carneiro Jacinto and Fernando Antunes; date and place not given]

[Text] "If the excessive, and at times antinational, magnification of institutional pseudoconflicts is practiced as a strategic line by the opposition, it is because the opposition does not have an affirmative strategy and does not itself succeed in finding its own course, engaging in institutional or political-partisan splitting and dividing inappropriate of its great force, this is, basically, its great weakness." is the opinion expressed by the minister of National Defense, Engineer Adelino Amaro da Costa, in his first long interview in that capacity since he has been in the government. In this interview, conducted by Carneiro Jacinto and Fernando Antunes, Amaro da Costa, vice president of the CDS [Social Democratic Center Party] and one of the best known and most controversial figures in Portugal's political activity, comments on the government's activity in the area of foreign policy and defends the stand taken by the Sa Carneiro cabinet.

[Question] We should like you to comment, in your capacity as minister of National Defense, on the speech delivered by the president of the Republic during the ceremony of decorating the NATO official.

[Answer] The president of the Republic spoke, I believe, in his capacity as chief of the General Staff of the Armed Forces and, in that respect, the statements made have a precise significance, in other words, the significance of the point of view of the head of the military institution among us, concerning Portugal's place in NATO and in the world. The points of view stated in the speech made during the ceremony of decorating the chairman of the Military Committee of NATO may be regarded as compatible with the ones that are part of the essence of the government's doctrine.

In some important aspects, however, the analysis presented does not coincide with the government's analysis.

[Question] But some of those lines do not totally agree with stands taken by the government, specifically with regard to foreign policy and concerning detente, the North-South dialog and also NATO's position and influence.

[Answer] I suppose that there has been too much speculation and some tergiversation concerning the government's points of view with regard to foreign policy, especially as included in an expanded conception of national defense. The government is in favor of the North-South dialog, the assumption by NATO of the new conditions imposed by the international situation, and it is in favor of detente and the principle of progressive, supervised disarmament. The government wants NATO to have the capability of adjusting to the new conditions in the world in which we are living and, at the proper time, it can also express its own points of view concerning what, in its opinion, may be regarded as political shortcomings in NATO's action in the last few years.

[Question] In this light, how do you analyze Sa Carneiro's statement in the interview granted to Spanish television, according to which detente has been an error for NATO?

[Question] It is obvious, for example, that the concept of detente has been used by the East bloc with great aggressiveness and much cynicism. We do not question the concept, but we can discuss the way in which it has or has not served NATO's interests.

Public Awareness of the Overall Threat

[Question] But what essential conditions do you believe are necessary for Portugal's participation in the defense plan of NATO?

[Answer] What I believe that I should stress, as minister of Defense, is that the effort required for a more complete and thorough participation by Portugal in NATO's defense plans is in proportion to the inclination that Portuguese public opinion and the more responsible political forces may have for developing that effort. Portugal is a country with meager resources and has to have the active, effective and often disinterested solidarity of other member countries for the modernization and greater professional dignification of its Armed Forces. In order for it to be able to do this, there has to be sufficient political desire, not only of the government but also of the main body of the majority public opinion. What does this mean? That the inclination of the Portuguese people to support the need for modernizing their Armed Forces is proportional to the awareness that our fellow citizens have of the real advantages that there are for Portugal in the geostrategic framework in which it is included.

A policy that lessens the public's awareness of the overall threat is objectively unfavorable to Portugal's Armed Forces. A policy putting excessive emphasis on Portugal's specific vocation in the foreign framework to the detriment of its solidarity in the Atlantic Alliance does not promote a positive coming into awareness by the public in favor of the FAP [Portuguese Armed Forces] as a body of the nation. As minister of Defense, I have, therefore, to state and stress the positive consequences that can result for Portugal and for the military institution from an improved public awareness with regard to the overall threat. The invasion of Afghanistan by the Soviet Union, regardless of whether or not it was expected or foreseeable, is a fact that should be stressed in foreign affairs and for domestic effects also for strengthening that modernization effort of the Portuguese Armed Forces and, in general, of the national defense apparatus.

[Question] Is it not possible that this interpretation of yours implies tacit recognition that, after all, that diplomatic move had solely and exclusively a specific domestic effect as its objective?

[Answer] The invasion of Afghanistan by the USSR has been condemned by the majority of the countries in the United Nations. The domestic effect of the condemnation is a corollary that should be clarified, especially when there are those, like Dr Alvaro Cunhal, who bet on maintaining that the case of Afghanistan has nothing to do with Portugal.

[Question] Then, you think that you can find ways to make the public acquire that awareness that you mentioned. Then, will that require determination of a framework of national defense that does not yet exist? And what role will the National Defense Law that the Assembly of the Republic has not yet approved have in that determination?

[Answer] If foreign policy is conceived, as we conceive it, as a fundamental component of Portugal's national defense effort, it is obvious that everything stemming from it, with significance in terms of solidarity of the Atlantic Alliance, is positive for the national defense objectives. I do not believe that the much discussed Defense Law is an ultracritical factor in enabling our country to know how to conduct its defense policy. It is an important component, but not the only one and I doubt that it is even the leading one.

Certainly the government's program states that a national defense bill will be submitted to the Assembly of the Republic, and that bill will be submitted in due time. Its preparation will be based on very thorough studies, developed and made already in the past, especially by my predecessors, and it will aim as much as possible at constructing an organic framework of the national defense system independent of the more likely prospects for a revision of the Constitution.

The present Constitution envisions a relative autonomy of the Armed Forces with regard to the political authority originating from the people. Established majority opinion, shared, I believe, by most of the Armed Forces, enables us to state that it is possible right now to put forward flexible formulas for national defense organization compatible with certain probable schedules of constitutional revision. Therefore, I think that it would be desirable for the National Defense Law to have sufficient flexibility to be adjusted not only to the present Constitution, but also to the one resulting from revision of the present Constitution.

Article 7 and the Warsaw Pact

[Question] Nevertheless, you have already stated that the National Defense Law would not be a basic component. What, then, might the basic components be?

[Answer] National defense problems are primarily political. First of all, it must be known whether or not Portugal should be a member of NATO and account must be taken of whether the overall threat that a national defense system will have to meet is against NATO itself. I believe that there is sufficient consensus, both political on the parliamentary level and social and cultural on the civilian society level, to agree that Portugal's participation in NATO is not disputed and that, therefore, the threat represented by the Warsaw Pact must be regarded as the overall threat that is to be met by national defense. There are those who claim, in a strange interpretation of article 7 of the present Portuguese Constitution, that the principal threat to Portugal is the one resulting from the political-military blocs and that, consequently, every effort must be made for eliminating those blocs progressively, as a way to protect better the objectives aimed at by national defense. I disagree with this interpretation, although I know that it is shared by some political-military persons in our country. On the other hand, I interpret the Constitution as favoring regarding the Warsaw Pact as the main threat to our country. Perhaps through oversight of some of the members of the Constituent Assembly who voted for article 7 of the Constitution, the reference to military blocs in the text itself of the Fundamental Law presupposes that one of them regards the other as an overall threat. Now, because Portugal's presence in NATO is not questioned, ipso facto, the other leading political-military bloc, the Warsaw Pact, must be regarded, under the Constitution, as the overall threat to our country.

[Question] Then, is it your opinion that this is the point of view that is going to be followed toward detente, defended by the present government?

[Answer] Detente has to be based on deterrence. There is no detente possible, if the Atlantic Alliance bloc takes steps unilaterally, through oversight, or with an objective intention, that will weaken its defensive capability considerably. Hence, it is impossible to talk about detente,

except poetically, without talking about deterrence at the same time and, therefore, of a balance of forces. Possible detente can be attained by means of gestures like the ones that found expression in the signing of the final Helsinki agreement or in the disarmament conferences. But, in this matter, not only the letter of treaties must be accepted but also the way in which they are implemented. We have observed, however, that the respect given by the Warsaw Pact to the final Helsinki agreement is far from being consistent with the potentialities that this same text represents with regard to detente. There are, then, serious reasons for questioning the sincerity with which the Warsaw Pact countries signed the final Helsinki agreement and the interpretation that they intend to apply to it. Moreover, disarmament can only lead to detente, if it does not throw doubt on the mechanisms of deterrence. Disarmament must be mutual, progressive and capable of effective inspection. It must protect not only the interests of the two leading countries participating in the process, that is to say the United States and Soviet Union, but also Europe, with regard especially to the Atlantic Alliance. And I believe that Europe's concerns have not always been present in the disarmament negotiations, especially in matters of nuclear defense.

NATO and the Utilitarian Significance of the Armed Forces

[Question] What kind of effort is Portugal making at present with regard to greater participation in NATO?

[Answer] The NATO countries, as a whole, are working out a collective response, at present, to the latest act perpetrated by Soviet expansionism and are preparing a collective response to the invasion of Afghanistan. I believe, however, that it is premature to put out any hints on the courses that this response may have and on the concrete way in which Portugal may participate in that response. It seems to me, however, peaceful to admit that our country is obliged to emphasize, together with its NATO partners, the progressive, increasing importance of the southern flank of the Iberian-Atlantic area. There we should base our policy concerns with regard to action within the Atlantic Alliance itself on this situation and on a progressive acceptance, internationally, of the strategic importance of the Azores-continent-Madeira triangle. We also certainly should develop the possible potentialities that may result from our African relationship in this situation.

[Question] When you read the Constitution with regard to blocs and you mention political-military groups that do not hold the same interpretation, do you believe that the mere fact that those groups exist -- and knowing whether or not they are extensive does not matter -- is of little importance?

[Answer] In my opinion, the existence of interpretations on article 7 of the Constitution leading to the belief that the main threat to our country is the very existence of blocs -- and not, particularly, the Warsaw Pact -- is objectively negative and adverse to the interests of the

Portuguese Armed Forces. The existence of prominent political-military persons, or, rather, the stands taken by prominent political-military persons in support of that doctrine, lead to a lessening, in the eyes of the nation, of the importance, the significance and the future of the Portuguese Armed Forces themselves. Portugal is a member of a system of collective defense and, either its Armed Forces are fully integrated, unmistakably and unambiguously, in that system of collective defense, or, if there are doubts on that participation, the Armed Forces may emerge, in the eyes of public opinion, as something unnecessary or, at least, not very necessary, with regard to Portugal's outside defense. Now, that would lead inevitably to their utilization only for purposes of protecting institutions and for coping with possible subversive uprisings against the democratic regime. That is an excessively restricted task that would not justify the size and equipment needed by the Armed Forces, if we believe that they are incorporated in a collective defense effort of the Atlantic Alliance.

"Role of Eanes in Armed Forces Highly Positive"

[Question] Mister Defense Minister, are you thinking of individuals on the Council of the Revolution?

[Answer] I refrain from naming them, because I do not have to take the initiative of identifying them, and I shall not take it, but I have no doubt whatsoever that several of them show the attitude that I am describing and that is extremely negative, from the point of view of the nation's interests, and also from the specific point of view of the Portuguese Armed Forces.

[Question] What about the president of the Republic?

[Answer] The public statements made by the president of the Republic, particularly the ones made during the ceremony of decorating the chairman of the NATO Military Committee, on 12 February, cannot be completely regarded as representative of the interpretation upheld by other prominent political-military persons. On the contrary, they are, in my opinion, a positive stand taken on this point with regard to national defense and that I permit myself to believe to be positive with regard to the Portuguese Armed Forces.

[Question] Your persistence in speaking on behalf of the Armed Forces presupposes a real, objective knowledge of their problems that seems to us incompatible with your past as a politician, which has been predominantly your activity. Do you believe that your inexperience in the field of military problems justifies your speaking with the apparent authority with which you do?

[Answer] I do not speak on behalf of the Armed Forces. I speak about the Armed Forces, which is different. And I must do this, because, under the terms of the law, the specific task of liaison of the government with the

FAP is incumbent on the minister of Defense. The chiefs of staff are there to speak on behalf of the Armed Forces.

[Question] Do you mean indirectly that the president of the Republic has ideas very much of own and that they do not reflect the specific weight of a given area within the CR [Council of the Revolution]?

[Answer] I should not like to invade areas that do not concern me, on the sectoral level, that is to say on the level of the specific functions that I perform in the government. I do not want to take refuge on what might be interpreted as an alibi for evading my collegial responsibilities as a member of the Council of Ministers. In referring, therefore, only to GEN Ramalho Eanes as president of the Republic, and not as chief of the General Staff of the Armed Forces, I should say that, on other occasions, a high degree of convergence of political points of view between positions taken by Revolutionary Council member Melo Antunes and some of the stands taken by GEN Ramalho Eanes has been widely known by public opinion. I believe that I am reasonably familiar with the points of view on foreign policy and, therefore, on national defense, of council member Melo Antunes. Familiarity with those positions enables me to state that they do not agree with my interpretation of article 7 of the Constitution or with our country's overall objective interests with regard to the role that the country should give to its Armed Forces. I might go into a more thorough analysis, in order to ascertain, or to attempt to explain, to what extent certain speeches by GEN Ramalho Eanes contribute to or are identified with certain speeches by council member Melo Antunes. But, even in my capacity as member of a collegial body like the Council of Ministers, and as minister of Defense, I believe that I should not do so.

[Question] Do you believe that you are authorized to speak on behalf of the country's overall objective interests, as if you really had the privilege of making an exclusive interpretation of them, even against what seems to be the opinion of the president of the Republic himself?

[Answer] I am authorized to speak of the overall interests of my country. Under the terms of the Constitution, the conduct of policy belongs to the government. I lay no claim to exclusiveness, but I do not renounce the very special democratic legitimacy attending the government in the light of the elections on 2 December last year. That legitimacy is symbolized very especially in the prime minister.

[Question] At any rate, can the idea remain in the air that GEN Ramalho Eanes makes one policy speech as chief of the General Staff of the Armed Forces and another as president of the Republic?

[Answer] GEN Ramalho Eanes behaves in one way as chief of the General Staff of the Armed Forces and in another way as president of the Republic, which is naturally different, owing to the circumstances. I do not say that these behaviors are divergent and I do not attempt to find contradictions between both ways of behaving. As a citizen, however, I am

pleased to point out that the role performed by GEN Ramalho Eanes in the Armed Forces deserves a highly positive evaluation. I believe that in this specific area the country owes him much and that the Armed Forces themselves also do not owe him little.

[Question] Do you believe, then, that the country owes GEN Ramalho Eanes nothing as president of the Republic?

[Answer] I believe that most of the voters who voted for Ramalho Eanes for president of the Republic expected much more from him in the field of politics.

An Organic Law of the Ministry of Defense

[Question] Then, Mister Minister, you advocate separation of the two tasks, the task incumbent on him as chief of the General Staff of the Armed Forces and the task performed as president of the Republic?

[Answer] The present situation of coincidence of both functions in the same persons is, obviously, anomalous. It has its justifications as long as there is a Council of the Revolution presided over by the president of the Republic, but I see no justification in a constitutional situation of normal practice. Normally, the chief of the General Staff of the Armed Forces, as head of the three branches of the Armed Forces, must be under the minister of National Defense. That situation is incompatible with the transition situation in which we are, but we hope that it will be compatible within a year and some months.

[Question] Mister Minister, are you unaware that under any circumstance, both with regard to the present Constitution and in accordance with international practice, the Armed Forces tied to the Ministry of National Defense come first of all under the president of the Republic?

[Answer] In fact I am unaware of that alleged circumstance. On the contrary, the usual thing in any country is for the armed forces to be under the president of the Republic as their supreme commander ultimately and not first of all. First of all they are under the government through the minister of Defense or the equivalent. That is the normal state of affairs. Under the terms of the present Constitution, the special tie of the president of the Republic with the Armed Forces results, primarily, from the fact that the president is also CEMGFA [Chief of the General Staff of the Armed Forces].

[Question] But, after all, does not the logic not only of the government's behavior and of close connection between foreign policy and national defense, but also of another underlying logic, lie there when it indicates what must be done with regard to a revision of the Constitution?

[Answer] With regard to the first point, that is to say, with regard to the close connection between foreign policy and national defense, a

peaceful statement is involved from a theoretical and academic point of view. The most widespread and most shared concepts of extended or expanded national defense or, in the words of the government's platform, of integrated overall conception of national defense, lead to the fact that the basic factors of a national defense effort are foreign policy, the military factor and the economic development policy. Therefore, from the point of view of theory, a relatively peaceful area is involved. With regard to the second aspect, it is obvious that a clarification between civilian authority and military authority can be only be made actually after a revision of the Constitution. In practice, however, many things have to be prepared before the revision of the Constitution and, in Portugal, in my opinion, there has not been sufficient awareness of this practical requirement.

[Question] How do you analyze in the future the relations between the civilian and the military components, as well as the priorities that will precede or serve as a support for a constitutional revision?

[Answer] The scenario within which the present government is acting and which merits consensus, as I persist in believing, not only of the political forces supporting it, but also of the Socialist Party itself, is the one leading to allowing subordination of the military institution of the democratic civilian authority. Let us project ourselves, however, a little more in the future. If this scenario takes concrete shape, it will inevitably find expression in the law on revision of the Constitution. On the day on which it is promulgated, a thorough qualitative change will have to take place in the relations between the military institution and the government. The question that is raised is what preparations can be made between now and that time? This is the framework in which the relative importance of the National Defense Law is included. Importance, because it clarifies the organization of the system administration, coordination and execution of national defense with regard to policy and strategy, but relative importance, because a National Defense Law is not sufficient and a revision of the Constitution is not sufficient. In practice, general agreement must be established on new relationship practices not in existence at present. The Ministry of Defense must be potentiated with means of dialog and interface with other ministries and other public administration sectors. Finally, sufficient consensus must be established concerning those practical mechanisms, so that, when the law on revision of the Constitution is promulgated, there will be no authority upsets or gaps, if it fits in the above-described scenario. I should say, therefore, that my first priority as minister of National Defense finally has more practical than macropolitical characteristics. Therefore, priority should be given to the preparation and promulgation of an organic law on the Ministry of National Defense that will make it possible to establish structures that will remain, endure and will be properly broken in and have acquired a small amount of experience at the time of promulgation of the law on revision of the Constitution.

Government Must Be Ready for the Constitutional Revision Period

(Question) Would the military be represented in the Ministry of Defense?

(Answer) Institutionally, the Ministry of Defense cannot represent the military component and, therefore, under the present constitutional provisions, the Armed Forces can never be represented officially within this government department until the Constitution is revised. After that, naturally, the Ministry of Defense has to be an area of general administration of the state in which the Armed Forces will naturally be incorporated, respecting their historical autonomy and provided with specific capabilities of technical and administrative autonomy.

(Question) It seems to us that we perceive in your statement that the establishment of conditions making greater harmonization possible later at the time of revision of the Constitution would require dissolution of the Council of the Revolution, a political-military body in which military interests are discussed and examined, and that the Organic Law would weaken that component gradually, so that when revision time arrives there might be more perfect liaison. Would that presuppose, in your analysis, a change in the components of the Council of the Revolution themselves?

(Answer) From the legal point of view, nothing can be done in violation of the Constitutional Law. Therefore, the components of the Council of the Revolution themselves cannot be changed. What can be set up right now by the government and by the constitutional competence of the government itself is a series of structures and mechanisms that will facilitate preparation by the government itself and the central administration for dealing with the Armed Forces hierarchically after the moment of constitutional revision.

25 April: A Defensive Attitude

(Question) Can the attempt to absorb the Congress of Communities be regarded now as incorporated in the concern with preparing for replacement of the Council of the Revolution?

(Answer) From the point of view of National Defense, the problem of the Congress of Communities is completely isolated, and isolatable. The matter of the congress and of other commemorations has to do with a general philosophy of the government and not specifically with a philosophy of the Ministry of National Defense. Of course, the continuous excessive weight of members of the Council of the Revolution in functions of a civil nature is objectively unfavorable to the establishment of routine mechanisms, and of practices that will make transition of the Armed Forces to the civilian authority possible when that happens. Specifically, the minister of Defense, as such, did not participate sectorially in this matter and was not its initiator in political terms.

[Question] And with regard to the 25 April commemorations, does the same spirit governing that preparatory cycle prevail?

[Answer] With regard to 25 April, the matter is purely straight-lined. No problem of general political philosophy has been raised, but only, as is known, a difference of opinion concerning personalized political attitudes. Mixing the two things or putting them in the same bag is mystification. They are different problems that cannot be mixed. I believe that there is enough information to prove that the government has no objection and, in particular, the prime minister has no objection to signing, jointly with the president of the Republic, a decree appointing the chairman of the 25 April Commemorations Organizing Committee aiming at the appointment of a military man and, in particular, even one of the "April Captains." In this connection, there has been too much tergiversation for obviously political purposes and objectives. But much of what has been said on this matter is not consistent with the truth and it is false to see in this concrete issue any attempt at conflict between the government and the Council of the Revolution, or between the government and the president of the Republic.

[Question] Then, do you believe that the stand taken by the government in that matter has no political designs?

[Answer] The government's attitude in that matter is, if you permit me the expression, purely defensive. Anyone who does not feel that way is dishonest. Naturally, the government reacts negatively against appointing or supporting the appointment of someone who, a few days earlier, insulted the government seriously and slanderously, making unacceptable insinuations from the point of view of the honorability of the government itself. Everyone is free to have whatever opinions he wants, but what cannot be asked is for us all to align ourselves with the same criterion, or to be obliged to subscribe implicitly to the attacks that are directed against us. If you want, we can go further into this much discussed topic of the so-called institutional conflict.

[Question] Precisely on the basis of your statement that, with regard to 25 April, it is speculative to say that there is a conflict between the government and the president of the Republic, two pertinent questions come up. Is there not, in fact, a conflict between the president and the government? Do you believe that this conflict has not become inevitable starting at the time when the government took office?

[Answer] In politics, as we all know, facts exist either because they have a real basis or because they are generated as political facts. Before the Democratic Alliance won the 2 December elections, there already was a chorus of oldsters, prophets of ill omen who predicted that the existence of a permanent relationship of conflict between the president of the Republic and a possible Democratic Alliance government was inevitable. It was a subject repeated over and over in the election campaign

and, therefore, it was a surfacing of political strategy by forces that are now hostile to the government. Those forces and the sectors supporting them are trying to be consistent with the prophecies that they made, independently of ascertaining whether they have a sufficiently real basis. The Socialist Party has announced many times that the existence of a conflict between an AD government and the president of the Republic would be inevitable. Everything most natural that may occur meanwhile will, naturally, have to be exploited by the PS as a practical verification of its prophecies. A political combat is involved, but the proper proportion must not be lost in analyzing it. The issue is, however, more complicated, because we are in a puzzle in which too many political sensitivities cross each other in areas of real or apparent authority.

Eanes-Government Conflict Useful to the Opposition

[Question] Therefore, in your opinion it is not a question of a basic conflict between the president of the Republic and a Democratic Alliance government, but, rather, of an idea germinated outside the two organs of sovereignty. Whose fault is it, in your analysis?

(Answer) It is public knowledge, for example, that there is a political party in Portugal that supports, as a requirement for very survival of the democratic regime, the survival of a body of a political-military nature in our country, a point of view that does not have the support of the PS itself. There are times, however, when the objective interests of that other party, which is the Communist Party, and the circumstantial, electoral or governmental interest of the Socialist Party may converge apparently. Both are interested -- and now, at least apparently, MAJ Otelo Saraiva de Carvalho -- in demonstrating two things: that there is a profound, irremediable conflict, almost a break, between the president of the Republic and the government, and that, within the forces supporting the government, there is an irremediable conflict, almost a break, between the two leading parties. These are the two basic lines in the opponents' strategy, if I am permitted to speak in purely political terms. The whole structure of that strategy inevitably has its repercussions on the political debate and on public opinion. But only this alone. It is necessary and objectively useful to the opposition to give rise to the idea of an institutional break and, within the framework of AD, a partisan break, in order to nourish its own decisions concerning the future. Hence, the, I might even say ridiculous, magnification of fortuitous cases, like the famous case concerning Engineer Maria de Lurdes Pintasilgo. And let us see if there is something more natural than for a government to state publicly that it does not have political confidence with regard to a former prime minister whose program was widely disputed by the forces supporting that same government. This is the most natural, the most logical, the clearest thing that there is, and here there is no personal idea of revenge or of persecution.

[Question] But is too evident a political aim not concealed in the whole case for an immediate decision?

[Answer] In Portugal, the practice and the policy of a martyrological fictionalism has always had a certain amount of success. Creating martyrs, making victims has always been a good expedient for the sentimentalism of the Portuguese people. And what was merely the normal exercise of a normal political competence, in any normal country in the world, became a controversy with dramatic dimensions in which irremediable institutional conflicts or obscure aims of revenge were seen. This is ridiculous, but it also shows the weakness of those who are opposed to this government, because, if better motives of political battle other than these are not found, it is because the opposition does not itself have an affirmative, positive, sufficiently definite strategy. If excessive and at times antinational magnification of pseudoinstitutional conflicts is practiced as a strategic line of the opposition, it is because the opposition does not have an affirmative strategy and does not itself succeed in finding its own course and engages in promoting factions or political-partisan division alien to its great force. This, basically, is its great weakness.

[Question] Does not the use of the expression antinational, which, moreover, has been mentioned abundantly in this interview, remind you of a terminology very peculiar to the terminology that shaped the language of the regime prior to 25 April 1974?

[Answer] The expression "antinational" appears, curiously, most frequently in the political discourse of the PCP and of its fellow travelers. As far as I am concerned, I have never used it or shall never use it to try to restrict the rights of others to have an opinion or to try to put intimidatory pressure on the freedom of expression of my fellow citizens. But I believe that we all probably agree on admitting that any practice intended for destroying the bases of our democracy is objectively antinational.

[Question] That does not invalidate the fact that AD and Ramalho Eanes are in conflict on an essential issue tied to the election for president of the Republic. AD has already said that GEN Ramalho Eanes will not be its candidate, but it now seems clear that General Eanes is going to run again. Can we or can we not be faced with two forces whose political line will be in conflict?

[Answer] In spite of possible or real political differences that have been separating me from him in the last few months, GEN Ramalho Eanes merits a very clean moral judgment from me. I do not question his patriotism, his honesty and his desire to serve our country. I do not believe, therefore, that, in the possibility that he will run again, he will subordinate his constitutional role to that political project in a way that may be detrimental to the nation's interests. I do not believe, and I refuse to admit, that citizen Ramalho Eanes may, at any time, take stands that will jeopardize the ethically proper performance of his constitutional duties. It

would be a slanderous, or at least injurious, act with regard to GEN Ramalho Eanes to admit the contrary. What I fear is what may happen to that image that I have of him, in the face of public opinion, on the basis of attempts at political manipulation of his constitutional role or of possible political projects on the part of certain partisan forces or certain political-military sectors.

[Question] Is the government concerned over the period between 25 April and 10 June of this year?

[Answer] It has no concern, although it agrees that PCP may be interested in turning May Day into a general challenge of the democratic institutions. It is, however, a possibility without any specific importance, if the PCP keeps itself strictly within the framework of democratic legality.

[Question] Do you believe that the government is fulfilling what it promised and that, in view of cases like the case of Lurdes Pintasilgo, dismissal of administrators and other purgative measures, it identifies itself with zealous compliance with the principle that in every circumstance it would be guided by criteria of competence and capability?

[Answer] Obviously, I do not approve of the government's being accused of any designs of persecution, discrimination or political purging. And I do not approve, because I regard that kind of accusation as an objective mystification. In fact, I am convinced that the government has tried to subordinate itself to "criteria of competence and capability" in the appointments that it has made, taking into account in its judgment, naturally, the technical and political dimensions of those criteria.

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SOCIALIST PARTY PRESENTS ECONOMIC PROGRAM**Public Sector Stressed**

Madrid EL PAIS in Spanish 21 Feb 80 p 38

[Article by Enrique Badia: "The 'Socialist Economic Strategy' Has Been Presented, Part I: The PSOE Proposes Public Sector Be Given the Power to Overcome the Economic Slump"]

[Text] Increased public investment in the sphere of services--basically health, training, housing and education--is defined as the appropriate way to emerge from the current Spanish economic slump in the "Socialist Economic Strategy" presented last Tuesday evening by the PSOE's [Spanish Socialist Workers Party] team of economists. The document--half of it a diagnosis and half a programmatic statement--essentially seeks to disparage the government's proposals 'leading to catastrophe,' its policy, and really to bring into question Spanish capitalism's ability to overcome its own contradictions.

The document drafted by the socialists opens with a diagnostic history of the critical situation into which Western capitalism has fallen. The origin of the slump resides in the coming together at the same time of inflation, recession, unemployment and investment stagnation, and its principal symptoms have been: prices increases, high and growing unemployment rates, a substantial foreign deficit, heavy credit restrictions and very high interest rates. "The skillfulness of the capitalist system's defenders," the document states, "lies precisely in presenting these symptoms of the economic crisis as the cause of it thereby evading an interpretation of the crisis reflecting the system's profound contradictions." This assessment of the crisis--one of the most transparent contributions of the text--is applied to Spain where other factors have converged, to the point of establishing that the collapse of the Franco regime's type of development has led to a sizable increase in unemployment throughout the country. The treatment given up to now to overcome the slump is heavily criticized indicating for example that "the application of a restrictive monetary policy, with the

UCD's [Democratic Center Union] nonfulfillment of the compensation contained in the Moncloa pacts, has meant an aggravation of the workers' situation, in addition to an increase in unemployment."

The strategic withdrawal by private banking--amply castigated by the socialists--from the critical sectors has been accompanied by a growing consolidation of positions by multinational capital in Spanish industry to the extent that "it stands out as the main force in the ascendant, able to impose new changes and decisively influence the government's economic policy." On the other hand, the slump has brought about a new emphasis on the process of concentrating capital in the Spanish economy to the point that in 1977 the top 20 incorporated firms absorbed 36 percent of all the capital expended in enterprises at the national level. In the face of this reality, the socialists propose developing a policy of "progress in the service of the popular classes" whose priority condition is an ongoing consolidation of the democratic process that will make possible a socialist policy of justice, equality, solidarity and progress.

The socialist proposal for emerging from the slump, set forth more or less in detail throughout the document, starts off with the view that it is necessary to get away from the "current searching for a compromise within the context of the situation." Along general lines, the socialists propose stepping up the negotiation process between employers and trade union headquarters (defense of the standard-setting interconfederal agreement signed by the CEOE [Spanish Confederation of Business Organizations] and the UGT [General Union of Workers] is constant) and realizing a concerted planning system covering the critical sectors and the process of reconversion as well as those which represent a future option for the Spanish economy.

To emerge from the slump the socialists also believe there is no way to avoid making strong trade unionism possible with trade unions and employer organizations adopting direct leadership in labor relations whose framework must be suited to present circumstances, as well as authorizing trade union power all of its possibilities to "limit the entrepreneur's up to now all-embracing power of decision, introducing mechanisms for consultation and negotiation in such crucial areas as investment and the use made of productivity increases." The document also calls attention to the dangers that might arise from weak trade unionism which "has a tendency to increase the possibilities of demands that cannot be met by the productive system." From this standpoint the need to move toward a gradual replacement of the exclusive concept in demands for monetary wages to the benefit of social wages is insisted upon in line with what is laid down in the standard-setting agreement.

Reforming the Administration

Heightening the power of the public sector in its various categories is beyond a doubt the chapter into which the authors of the socialist document have gone most thoroughly. The point of departure for this stimulus to

public investments lies in the necessity of gradually marking the boundaries between the actions of the administration and its agencies and private interests which the former in the socialists' view served on a permanent basis. The state's investment effort requires drawing up a concerted program, one debated and approved by parliament, one defining these objectives and priorities: Investments favorable to the creation of jobs; action programs limited by the energy crisis; readjustment of the Spanish economy in line with the changes and transformations of a new international division of labor in such a way that the public sector will contribute toward developing greater competitiveness on foreign markets.

The socialists also reject the solution to the crisis deriving from so-called neoliberals who are endeavoring to have the public sector's service activities--education, health and housing, for example--made private, those in which the mere action of the market does nothing but perpetuate the intolerable existing inequalities. And they advocate the public sector's increased participation in the formation of capital "so as to fulfill the purposes of public service belonging to it and make up for the decline in private investments." Its objectives must be: Mobilizing unproductive capital, increased employment; restructuring and converting of critical sectors; development of competence in the private sector; development of sectors involving new advanced technology; development and greater regional balance and more flexibility in fiscal policy as an instrument for correcting the present economic situation.

As a preliminary to giving the public sector a new impetus, the socialists believe it is essential to transform the government administration whose basic objectives should be: guaranteeing its neutrality and increasing its effectiveness. In addition, a rational and consistent system for the present centralized administration's transformation must fit in with the future autonomous communities.

On the subject of the public sector's actions, the socialist document devotes particular attention to the realization of a collective plant program, its goal curiously set for 1983 the year when the holding of the next parliamentary elections is foreseeable and which might possibly bring the socialists to power and consequently place them in a position to implement their economic program. The actions proposed are broken down as follows:

Housing. The managerial incapability of the government agencies responsible for housing is notorious. From 65 to 70 percent of housing under official supervision is intended to meet the needs of the middle and upper classes. There is no adequate financing for purchase nor a reasonable rental market. By 1983, 1,400,000 housing units should be built or restored, 900,000 of them to be under official control. The city councils should take on the role of promoters and make feasible the acquisition of land that can be urbanized.

Urbanism. Eliminate land speculation. Proceed with gradual municipalization. Revert to the collectivity of increased urban land values. Strengthen municipal competence in this sphere. It is essential to make possible the expropriation of every type of land. Expropriation payments may be made in money or in acreage. The creation of a special local public works plan to improve transportation networks, drainage work, urban planning, communications, distribution and other systems will have to be undertaken.

Health. A single health system. Greater attention to preventive health measures, health benefits and rehabilitation and reintegration of the patient. Decentralization of Social Security. A larger percentage of financing at state expense, replacement of the family contribution system. Free choice of one's doctor and more participation by employers and workers in exercising control over Social Security and its benefits. A larger percentage of the financing to be assumed by the state. Reorientation of hospital policy, elimination of the tendency to build large centers. A new policy on medications. Adjusting the type of training for health officials and guarantees for their ongoing training and retraining. A struggle against corruption, waste and dishonest habits that weigh upon the health system.

Social Services. Overcome the old concept of benefits and social welfare. A standard-setting law defining a general policy. Control over the employment of fringe elements capable of working and generalized rehabilitation planning.

Social Security. It should be modified to become solidary. Modification of the supervisory bodies (democratizing them), the pension policy and replacement of the present family protection benefits. Having the Social Security system amount to a tax or burden on jobs must be avoided.

Education. Required free education from 6 months to 16 years of age. Creation by 1983 of 300,000 new EGB [General Basic Education] places. All 14 to 15-year olds to attend school by creating 400,000 new places. Maximum expansion of first and second level professional training. At the university, the level of autonomy set by the constitution must be recognized and a minimum wage level set for the free education of children [attending it]. Reform of the scholarship system, incorporating the student wage system.

Stepping Up Fiscal Reforms

Intensifying the already initiated fiscal reforms is recommended in the document. The key part of the tax plan must continue to be the tax on individual incomes "without allowing any sort of exemption or discrimination to occur with respect to the tax base." Inheritance and succession taxes must have common assessment systems replacing the current one for determining the base whose uselessness is manifest.

At the same time the socialists propose augmenting the power of the tax administration in that the degree of fiscal fraud is still too high, to a

great extent because the existing administrative apparatus is not utilized effectively. The document suggests creating "an administrative unit made responsible for each and every phase of the reforms and of the regular conduct of the tax system." Along these same lines, an immediate increase in the number of inspection personnel, speeding up the addition of civil servants, "which the government is carrying out with exasperating slowness," is proposed.

Finally, the document which proves to be very respectful of the fiscal reforms promoted by the UCD's social democratic team, demands greater utilization of the Ministry of Finance's computers and calls attention to two groups with a high fraud rate--the liberal professions and individual employers--those who can be checked solely by means of computers. In addition, utilization of the two weapons for fiscal control of proven effectiveness available to the administration is requested: Classification of fiscal crimes and inspection of current bank accounts. "Two years following their promulgation it is unknown what use has been made of these two weapons."

(Tomorrow, a second chapter will complete this summary of the socialist document's contents.)

[Inset]

Reforms for a Crisis

Town councils should promote housing units and make land available.

Municipalization of land.

Obligatory expropriation and payment therefor in acreage or currency.

Free choice of one's doctor and elimination of large hospitals.

Reconversion of the public administration.

Elimination of the Social Security contribution system's type of tax on jobs.

Required free education from 6 months to 16 years of age.

A new scholarship system incorporating student wages.

More intensive fiscal reforms.

Increased authority for the tax administration.

PSOE Addresses Unemployment

Madrid EL PAIS in Spanish 22 Feb 80 p 46

[Article by Enrique Badia: "Part 2. The PSOE Very Cautiously Approaches the Real Possibility of Reducing Unemployment"]

[Text] The real possibilities of reducing unemployment in Spain are examined with extreme caution by the authors of the "Socialist Economic Strategy" despite terming action along those lines as a PSOE priority objective. Unemployment, energy, monetary policy and the financial system are a few of the main aspects considered in the second part of the socialist document presented last Tuesday.

Unemployment is defined in the socialist document as having unrenounceable priority although the party's economists acknowledge a series of significant limitations in the timing of attempting to formulate a policy for reducing unemployment from which the Spanish economy is now suffering. Taking into account that "the economic crisis has as yet given no indication of coming to an end," a few factors are noted which explain the decline in activity and the increase in unemployment in the industrialized countries. Among them are cited the tendencies to transfer manpower and resources from the low production industries and the tendencies to turn over to the underdeveloped countries those manpower intensive activities, the critical situation of the key sectors and the generalized application of stabilizing policies to slow down inflations rates.

To reduce unemployment the socialists consider the mere increase of GDP [Gross Domestic Product] inadequate unless accompanied by actions related to the strategy of a development with sectorial specialization and the "selection and combination of suitable techniques seeking to remove the most damaging effects of the system's own evolution that contributes to the growing utilization of supernumerary manpower." "Limiting the supply of manpower, lowering and making more flexible the age for voluntary retirement, promoting a shorter working day, raising the age for schooling, reducing plural employment, eliminating fraudulent practices in unemployment insurance and limiting overtime."

The structural problem is also set forth in the document. "There is no way of getting out of the economic slump through productive structures like those existing before the crisis: Jobs will be reduced in many economic sectors at a time when investing and employment in other activities better suited to crisis conditions should be fostered." As a result the socialists frequently reiterate in their strategy the need to avoid compromises of a cyclical nature in economic policy planning such as they say the UCD government is making.

A Model for Economic Policy

The formulation of an alternative policy on a short and medium-term basis is achieved by the mechanism of simply setting forth principles in most cases without debating a specific method of operation. The objectives defined are:

"Counteracting the effects of a structural nature tied in with the market economies' evolution." The document in various sections repeatedly defends a private initiative compatible with greater action by the public sector and recognizes that "the success of the socialist strategy against unemployment depends in large measure on the evolution of the investments made by enterprises of the private sector. To attain this objective, the socialists suggest the establishing of concerted planning eliminating "obstacles such as the financing structure of Social Security."

"Distribute the work available." This point starts with the premise that the struggle against unemployment cannot be exclusively concentrated on creating new jobs. It is suggested that the retirement age, especially in those areas requiring the greatest physical effort on the worker's part, be lowered. Moving the age of obligatory education up to 16 years. Eliminating the holding of more than one job and reducing overtime and finally actively cooperating in the international project for reducing the working day.

"Protection against unemployment." It has become necessary to expand on an urgent basis unemployment insurance coverage, bringing into it also workers having no prior employment and workers at collectives receiving a subsidy.

"Agricultural employment." An early retirement program is proposed for agriculturists over 60 years of age, turning over the acreage that would then become available to farmers under 40 with the aim of encouraging profitable land exploitation. Attention is called to the fact that the structural imbalance which assumes that while the contribution of the agrarian sector to GDP is 10 percent, the active population in it exceeds 20 percent of the total. A reliable census of agricultural unemployment must be made and the present system of community employment restructured.

"The energy problem." Three main points breaking with the policies implemented to date are proposed: A standard for growth (abolishing the idea of a rigid link between energy demands and economic growth); priority of interests (ending the dominance of private interests and greater penetration by public capital), and an institutional rupture (putting an end to the relinquishing of obligations on the administration's part). It is understood that the magnitude of the energy problem makes it impossible for private initiative to assume it. Among the concrete proposals for an energy policy, the document includes establishing an objective system for determining costs prior to applying a consistent price policy in which the components of production costs, the sector's profit margin and fiscality are clearly differentiated. Reference is also made to the need to foster energy alternatives.

The electricity sector is referred to as one of the examples of how "private initiative is incapable of promoting production without generating rising social costs or of meeting collective goals." And it is also affirmed that it has a "feudal and anachronistic structure that has already become a brake on its own development." In addition to the nationalization of the high tension network, the socialists demand that the state exercise "all of its rights stemming from its capacity as a stockholder in the electric companies."

In the section on hydrocarbons, the socialists suggest immediate reforms in the structure of refineries and "merging all of the sector's public enterprises into one national agency for hydrocarbons coming under the INI [National Institute of Industry]," whose creation they deem fundamental. With respect to nuclear power, the document is not over explicit. It merely raises (in less than 20 lines) the demand that "both the power plants in operation (three) and those now being built (seven) not begin operations until a nuclear safety council independent of the administration determines the appropriateness of their sites and safety conditions." For the new power stations they reiterate their stand on the National Energy Plan, rejecting their construction and that of the Soria Nuclear Research Station.

Criticism of Private Banking

The sections devoted to monetary policy and the financial system are filled with extraordinary aggressiveness with respect to private banks "whose strongly oligopolistic structure results in the fact that realization of tough monetary policies produces heavy discrimination in the distribution of always scarce banking credit."

On monetary policy, the exclusive character given in the struggle against inflation is attacked and close vigilance requested over the action mechanisms and in determining the different variables. The document maintains that a limit should not be set on just one of the monetary conditions (liquid assets), but rather that different variables should be weighed (credit to the private sector, credit for housing and interest rates). Strengthening the Bank of Spain's inspection and control mechanisms is demanded, with appropriate separation of the central bank's monetary and inspection powers.

The analysis of the financial system opens with the view that the basic characteristics of the previous regime still persist. The liberalizing measures of the summer of 1977 (Fuentes stage) are openly criticized because they solely involved reducing state intervention in the system but did not change the oligopolistic situation in which private banking institutions are discussed. In the face of this, the document recommends speeding up structural reforms and until they are implemented "it is essential to apply certain mechanisms of intervention guaranteeing adequate financing of such important sectors as housing or hard goods and in general a drop in current prices." The subject of the cost of money is also analyzed, including the proposal that credit interest rates be limited and strict controls applied

to the payment of bank commissions and to the issuing of public and private bonds. "The tax reduction on investments in securities must be restated in that it is preferable to replace them with budgetary subsidies." Reference is also made to the need for establishing a concerted plan to reduce the costs of having private banking serve as an intermediary, which should include voluntary limitations on the opening of branches. Finally, eliminating the bill of exchange as an instrument for financing private banking is proposed.

A series of suggestions is also made for the three aspects of the financial system--the central bank, savings banks and private banking--in line with the modifications noted. In addition, reforming the stock market especially on the basis of replacing the obsolete concept of the brokerage specialist (stockbroker) with particular mention of the need to reinforce the government bond market.

The socialist document concludes with two hasty glances at Spain's future entry into the EEC [European Economic Community] and the need to work out a plan for sectorial restructuring of the activities now in a critical situation. On the Europe issue, the socialists categorically reject any period of premembership, demand the free circulation of workers from the very moment of joining and request the government to negotiate with the various industrial sectors on aspects arising from the negotiating process. Oddly enough, this demand does not extend to the agricultural sector. On the subject of restructuring, the inclusion among the present sectors being treated because of the crisis of two others: textiles and shoes, is demanded given the major difficulties from which the majority of the enterprises involved in them are experiencing.

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CCOO'S CAMACHO ON LABOR, ECONOMIC SITUATION

Rome L'UNITA in Italian 27 Feb 80 p 16

[Article by Giorgio Migliardi]

[Text] Rome--Marcelino Camacho is one of the "historic" leaders of the anti-Franco resistance and of the Spanish workers class. He is secretary general of the Workers Commissions [CCOO], which he helped found in clandestinity and which is today Spain's largest labor union. Small and slender of build, with gray hair, at age 62, the 13 years he spent in Francoist jails have not sapped the solid tempering of the "mild and steely leader," as he was once described. A communist ("I have been a member of the party since 2 February 1935," he made it a point to tell me during our talk) and labor unionist, he is inspired above all by his lifelong tenet: that the resolving of economic as well as political crises requires "first of all the participation of the working class," the true bearers of the national interests in the struggles against fascism and for the consolidation of democracy.

Camacho headed a CCOO delegation in Rome a few days ago. During his visit, on which we reported Saturday, he met with the top leaders of the CGIL [Italian General Confederation of Labor], the CISL [ICFTU] and the UIL [Italian Union of Labor]. The Italian labor union movement's example, Camacho said, is "very useful to us at this moment when we are having problems with the attempt by the employers and the government to divide the workers and labor union movement." This attempt is aimed particularly at dividing the UGT [General Union of Workers] (Spain's socialist-majority union) from the CCOO (its communist-majority union) through the signing of "separate agreements" that discriminate the labor union movement's majority. "This policy," he says, "is analogous to the one you experienced in Italy in the 1950's. But the times of excommunication have ended for us; we do not accuse the UGT of 'betrayal,' as we would have at one time; we merely say that, in our opinion, they are making a mistake." We feel, however," he adds, "that this will be transitory and that the important thing, in the interest of the entire left, is to recover unity of action as soon as possible." "We may at times cut ourselves lightly," says Camacho, in the popular and vivid imagery he is fond of using, "but the important thing is to not neglect the wound, to medicate it carefully and avoid an infection."

In union elections during the last 5 months, the CCOO has registered a gain of 13 percent, while the UGT has shown a drop of about 10 percent. But, says Camacho, if we look at this "from a class viewpoint," when there is a clash between us, "one of us can be the winner but as a whole we both lose, and the entire left is weakened."

I asked Camacho whether it is appropriate also in the case of Spain to refer to a governmental "swing to the right." "Yes," he replied, "and rather definitely so; it is evident in several areas: on economic problems, domestic ones and international ones. With regard to economic problems in particular, the government, toward the end of 1978, put forward its so-called PEG [Government Economic Plan], the real object of which was to lower the purchasing power of wages and keep them two or three points below price increases. In fact, none of the plan's other objectives were attained. In 1979, the GNP [gross national product] increased by 1.6 percent (against a planned 4 or 5 percent), the cost of living rose by 15.6 percent (versus the planned maximum of 10-12 percent), and unemployment, instead of dropping as provided in the plan, rose last year by at least 250,000 persons, reaching a total of 1.5 million unemployed, without counting what is referred to in Spain as the 'disheartened unemployment,' that is, those who have given up registering on the employment lists of the placement offices."

Alone, No Single Party Can Succeed

The situation in Spain, we pointed out, reflects the world and European economic crisis. A crisis Camacho agreed, that is more complex than the preceding ones, owing to the convergence of its diverse factors, from its cyclic ones to those of the technical and scientific revolution to those of the energy crisis. The Englishman Jenkins, chairman of the EEC executive commission, has brought forth the same analysis, especially in regard to the labor market. "We are in agreement with him," says Camacho. "It is a matter of finding a solution together. We want Spain to join the EEC because we also believe that only a politically and economically united Europe can develop an independent role of its own--not to constitute a new bloc, but to work for a policy of cooperation and development, especially with the Third World countries. We are thinking in terms of a Europe in which the workers can make their voices heard."

But to return to the Spanish situation: Terrorism in Spain, as in Italy, poses an extremely serious political problem; the toll of its victims has reached 30 since the start of the year. The history of its origin, as Camacho analyzes it, differs from that of its counterpart in Italy, though its objective in both countries is the same: to undermine democracy. Actually, Camacho recalls, the current Spanish terrorism began before the end of Francoism and toward the end of the 1960's, on a twofold basis: nationalist terrorism (above all, in the Basque region) and rightist terrorism, that of the ultras. Camacho's wife, who was present and participated actively in the conversation, intervened at this point and recalled that

the sensational attack which took the life of Carrero Blanco in December 1973, and is now being reenacted in Pontecorvo's film "Operation Ogro," took place on the very day on which the leaders of the then clandestine CCOO were to be tried. The day before, she herself had been to see the prosecutor, who had expected a sentence of 6 years for Camacho. Under the pall caused by the killing, however, the judges imposed a substantially heavier sentence: 20 years of imprisonment.

But terrorism, says Camacho, has continued even after the death of Franco and the restoration of freedom. Its cause: on the one hand, "the uncertainty and slowness with which the government has moved on the granting of regional autonomies," and on the other hand, "the government's own mistakes," which are being exploited by the ultras. "Creating a climate of fear, of pressures," Camacho adds, "terrorism demobilizes the workers, hinders their struggles, and distracts them from their true objectives of democracy and socialism."

But, I asked, what strategic views are you now placing before the Spanish working class? "We believe," Camacho replied, "that no party, no union, alone, can resolve the current crisis. The sole solution lies in a program of class and national solidarity toward a more rational and more democratic economy, with all participating in its management. We cannot, however, limit ourselves to telling the workers that capitalism is to blame for the crisis and that socialism will resolve it. They want solutions now, for tomorrow, for day after tomorrow. We believe that the need is for a socialism with more freedom, within a framework of pluralism. We also believe the need is for a more dynamic capitalism, with the participation of the workers down to the level of the workplace." Hence, a national solidarity? "Yes, but one that is 'antioligarchic' and profoundly democratic."

Another similitude concluded our conversation. "You see," he said, "it is like when you construct a building. You have various materials that you must put together to build the reinforced concrete columns. You have cement, gravel, sand, steel, all materials having different coefficients of expansion; if you do not put them into a structural form that keeps them all together, the stresses on the various materials will prevent the consolidation of the columns, and the building will collapse."

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PSOE MAINTAINS ANTISTATUTE STANCE IN GALICIA

Madrid EL PAIS in Spanish 4 Mar 80 p 20

[Article by Perfecto Conde: "In Galicia the PSOE Backs a Negative Vote on the Statute"]

[Text] Santiago--Nothing very serious will happen in the PSG-PSOE [Galician Socialist Party-Spanish Socialist Workers Party]. Contrary to what could be expected and despite the prevailing internal tension in the last few weeks, the meeting of the Galician Socialist Party last Sunday in Santiago did not reveal major surprises or much less the announcement of a special congress that had been considered to be possible up to the last minute. The decision to vote "no" on the statute was ratified.

There were admittedly very heated discussions which underlay even the particular vote for the position of each of the executive secretaryships. The discussion was particularly embarrassing in some cases. This caused the deputy from Corunna, Francisco Vazquez, to occasionally leave the site of the meeting, telling whoever whished to listen to him that he would resign immediately from the PSOE. To the extent that EL PAIS could determine despite total official secrecy in this respect, the clashes had a lot to do with the personal criticism that was leveled at some members of the executive on various occasions.

However, as a member of the executive consulted told this newspaper, "a very broad common denominator was found, broader than one was warranted to expect, which will make it possible for the present party executive to delve more deeply into Socialist policy than had already been done in Galicia." The question of what could be the road which internal clashes between the two principal sectors of the party--nationalist radical and moderate federalist--could take simply remained in suspense, naturally, before the inability of each of the groups to assume the necessary control at the last minute. The result was majority approval of the executive's policy and ratification of the fact that regarding the referendum in Galicia the Socialist resolution to vote "no" on the statute should continue to apply.

Specifically, this last question underlay what could have become an internal crisis in the Galician PSOE and therefore, the reason for the tension that

characterized the holding of the latest meeting of the Galician national committee. It also continued to influence the result of the Andalusian referendum so that this can signify, in the judgment of Socialist sources consulted by EL PAIS, the start of a political period from which new facts could be learned to analyze the case of Galicia.

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PSOE'S GUERRA: 'NO TO COALITION WITH UCD'

Madrid EL PAIS in Spanish 4 Mar 80 p 13

[Article: "Alfonso Guerra Says There Is No Possibility of Coalition"]

[Text] "While there has never been a possibility of a UCD-PSOE [Democratic Center Union-Spanish Socialist Workers Party] coalition government, now this is truer than ever. With them one cannot go anywhere," said the deputy secretary-general of the PSOE, Alfonso Guerra, on being questioned yesterday following a rumor of an alternative of this kind.

"The UCD is a party which does not respect democracy and which does not have any misgivings whatever in using the same methods as the dictatorship. One cannot reach agreements with a party which has given evidence of not respecting them. It now tries to link up with us in connection with the organic law of financing the autonomous regions. I answered that its officials should put down in writing for me what they want signed by the ministers; otherwise, we have nothing to discuss.

"I don't believe that the question of a government coalition is a sounding ballon but rather an oxygen ballon which the UCD needs like water following the dressing down that it received in Andalusia before facing elections in the Basque country and Catalonia."

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CASTILE-LEON TO FOLLOW ARTICLE 143 IN AUTONOMY PROCESS

Madrid EL PAIS in Spanish 4 Mar 80 p 20

[Article by Blanca Gefaell: "In Castile-Leon, Burgos Chooses the Autonomy Alternative of Article 143"]

[Text] Burgos--The General Council of Castile and Leon released a communique in which it reports that in Burgos the minimum votes mandated by the Constitution for accession to autonomy have been met with a majority of municipalities opting for the alternative of Article 143. It should be recalled that the UCD [Democratic Center Union] was the majority party in the province in past municipal elections. In all there are already 1,203 approvals supporting the autonomy process of Castile-Leon out of a total of 2,052 municipalities making up the entity. Of these 1,151 opted for Article 143, 36 for Article 151, while 10 did not specify their choice. In the provinces of Burgos, Palencia, and Avila the requirements of two-thirds of the municipalities in support, which means more than 50 percent of the electoral body, have been met, the province of Segovia being the slowest. Soria and Zamora are on the point of reaching the necessary percentage required, and in the provinces of Salamanca and Valladolid the stipulated population percentages may be exceeded merely with the approval of the municipalities of their respective chief cities. Thus, to reach the necessary regional two-thirds there is a need for 48 additional approvals in the province of Salamanca, 10 in Soria, 140 in Segovia, 90 in Zamora, and 61 in Valladolid.

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'MARXIST INFILTRATION' OF ARMED FORCES REPORTED

Madrid BLANCO Y NEGRO in Spanish 6-12 Feb 80 pp 16-18

[Article by Alfredo Semprun: "What Is Happening in the Barracks?"]

[Text] The sentences which were recently handed down in Jerez by a court martial against a group of soldiers accused of possessing, distributing and complicity in subversive propaganda connected with an alleged "democratic movement" at the grassroots of our armed forces has brought an old theme into the news: Attempts at Marxist infiltration inside our military institutions.

A few months ago BLANCO Y NEGRO, in one of our reports connected with the destabilizing attempts which the communist international has been carrying out against the Spanish democracy, already denounced the fact that international Marxism had ordered its topmost, most active and intelligent representative in Spain--known in the subversive world as "Humberto"--to discontinue his dogged attempts to infiltrate the Academy of Noncommissioned Officers in Lerida and direct all his efforts to effect at the national level what for strategic purposes one would have to call "Operation Soldier."

And from that point "Humberto" devoted himself entirely to that enormous task. For the purpose and with the consent of his companions on the party's "executive committee" or "central committee in which he is active, he resorted to the use of early means within his reach. That is, that besides the entire technical apparatus of the 'agit-prop' [agitation and propaganda] services he was able to mobilize those extraparliamentary minigroups, whether legal or not, which Marxism has established to achieve its goals.

Soldiers' Committees

The appearance on the scene of the master of subversive action which "Humberto" is, his prestige, his power to summon meetings, and very especially his command capability achieved the coordination of efforts at the national level and, within a few months, he established an

infrastructure known as "external," in each and everyone of the Spanish military regions capable of pushing to its possible limits the timid and nearly nonexistent action of the so-called "soldiers' committees" formed in the "interior," that is, in the barracks during the last few months of 1975 as an extension of the SUV [Soldiers United Will Win] established in Portugal by the parties of the Portuguese extreme left which, taking advantage of the confusion among our neighbors predominated in the army at that time.

"Humberto," it is fair to recognize, started from a somewhat firmer basis than that provided by the said "soldiers' committees." Already in April 1976 the PTE [Spanish Labor Party], in the face of the ineffectiveness of said "committees," opted to form its own "organization" and, keeping at a distance all the activists of the "soldiers' committees," established the so-called "Democratic Soldiers Union" [USD] and in December of the same year formed the FUSM [Federation of Soldiers and Sailors] which coordinates at the national level the USD mentioned earlier.

When "Humberto" found himself in full organizational euphoria, a fortuitous and deplorable fact, the assassination by an uncontrolled activist of the extreme right of one of his "trusted men" infiltrated or "placed" in no less a location than the telecommunications department of the General Staff of Army Headquarters, led to a grave disruption. The investigations by the intelligence services of the armed forces probed deeper and deeper. Evidence of the new destabilizing attempt was such that the measures were immediate and, in some way, were at the point of bringing all the efforts made by "Humberto" and whoever followed his instructions faithfully to complete failure.

Democratic Union

We do not know whether it was as a result of that crisis or because it was then necessary to initiate a new strategy, the fact is that following the disappearance of the "soldiers' committees," of the tough unified action of the FUSM which, as we said earlier, used to coordinate the regional USD's at the national level, there appeared a whole series of "soldiers' democratic groups" with the propaganda support of organizations bearing the acronyms ORT [Revolutionary Organization of Workers], LCR [Revolutionary Communist League], MC [?Communist Movement], and so on, which in some way weakened the USD originally established by the PTE to such a point that this very day the "organization" which seems most active or at least the one which promotes the most agitation and propaganda campaigns with their corresponding repercussions in certain mass media is the so-called Democratic Union of Soldiers, or UDS, in more or less covert manner supported by the Socialist Youths [JJSS] pledged to a genuine struggle for the ultimate toppling of the veteran Spanish representative of the KGB [Soviet State Security Committee] and thus totally controlling a tricky subversive. And here we believe we have the moral

obligation to clarify that on referring to the Socialist Youths in this case we put the PSOE [Spanish Socialist Workers Party] completely aside, aware as we are of the lack of control that that party holds over its highly radicalized youth wing, a circumstance confirmed to us by the numerous internal confrontations, explosions and defections from the party by Marxist youths.

And since we have mentioned the PSOE let us recall that in December 1977, at its 27th Congress, referring to the "rights of the military" that party mandated literally: "Any soldier or officer, no matter what his rank, can belong to an association devoted to the defense of the interests of military personnel having to do with the well-being of the armed forces. This institution must not, however, experience a lesser case of military discipline at times and in the face of issues than necessary. It will not have the nature of a labor union and it will have to avoid the politicization of that institution. It will be a function of this association to see to problems connected with the quality of life in the barracks, the problems of transferred officers, the problems of retirement, pensions and so on." These good intentions are lightyears removed from the action pushed by its youthful forces, more deeply anchored in Marxist directives than in the directives of the PSOE as we noted.

In the last analysis both of them in some form or another wish to ignore an obvious fact: That within the national collective there is in evidence the existence of a democratic social collective, another collective, the armed forces, which are not intrinsically democratic but rather hierarchized at the service of democracy.

And this is not true only in Spain. In international legislation concerning human rights references to the military establish restrictions and limits as regards the soldiers' right to freedom of association or trade unionization.

See, for example, the ninth article of the United Nations [Universal] Declaration of Human Rights of 1948 relating to "trade union freedom" or Article II of the European Declaration of the Rights of Men of 1950 which, in its second section, established that "the present article (relating to the right of trade unionization) does not bar legitimate restrictions being imposed on the exercise of this right in the case of the armed forces, the police, or the public administration."

And if we do not seek to move beyond our borders we can quote Article 28 of our Constitution in which it is established that "everyone has the right to unionize freely. The law could [however] limit or except the exercise of this right among the armed forces or armed entities or the other corps subject to military discipline"

Furthermore, Decree-law 10/1977 represents an absolute prohibition. And if this seems inadequate the military ordinances approved by Law 85/1978, in its Article 81, mandate that "the members of the armed forces over whose interests the state watches cannot belong to unions and associations with the purpose of formulating demands."

Conference on Military Service

Since it always happens that behind any terrorist action or subversive agitation Marxist encouragement transpires, in this specific case of "Operation Soldier," too, only member-countries of NATO or those connected with it are affected. In the armies of the Warsaw Pact countries the pamphlets which for the time being represent "Operation Soldier" are completely unknown.

And this is true despite the fact that last year there was held in the Swedish city of Malmo a so-called First International Conference on Military Service attended by illegal representations from Norway, Holland, the Federal Republic of Germany, France, Finland, Italy, Belgium, Spain, Denmark, United States forces assigned in Europe, and Sweden. Representatives went to Malmo after being expelled from Copenhagen by the Danish authorities which prohibited the holding of the congress in question.

It is unknown whether, because of the small number of those attending the conference its resolutions have had any consequence at all. The two Spanish representatives did not do much work therefore on behalf of that "soldiers' international" proclaimed at "The Malmo Conference" (17 and 18 May) and subsequently ratified, their organization taking shape at subsequent meetings on 27 May in Soinville-Pont (France) and Putten (Holland) on 2, 3 and 4 December 1979.

This brings us to the recent court-martial held in Jerez where a few soldiers, victims of Marxist demagogic, were sentenced while in the cozy clandestinity of the "exterior," "Humberto" and company enjoy a more bourgeois than proletarian life.

PHOTO CAPTION

1. p 18. Leaflets such as these from the Democratic Union of Soldiers circulate in Spanish barracks.

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